



60 years of growth and excellence

QNB BANK A.Ş.
INTEGRATED ANNUAL REPORT 2024



Contents

Introduction

- 14 About the Report
- 16 Message from the Chairperson
- 20 Message from the General Manager
- 24 Our Strong Performance in 2024

Corporate Profile

- 28 QNB Group at a Glance
- 30 About QNB Bank A.Ş. (QNB Türkiye)
- 32 Our Vision, Mission, Purpose, and Values
- 34 Board of Directors
- 38 Senior Management
- 42 Awards and Achievements
- 44 Our Journey of Sustainable Success

Developments in 2024

- 48 Macroeconomic Developments
- 50 Economic Developments in Türkiye
- 54 Non-Financial Developments Impacting Our Sector
- 58 Assessments for the Year 2024
- 60 Key Financial Indicators
- 61 Credit Ratings

QNB Türkiye in 2024

- 64 Corporate Banking and Project Financing
- 65 Medium-Size Enterprises and Commercial Banking
- 66 Consumer and Small Business Banking
- 68 Enpara.com
- 69 Payment Systems
- 70 Credits
- 71 Treasury
- 72 Information Technologies, Operations, Channels and Business Development
- 75 Legal Counseling
- 76 Subsidiaries and Affiliates

The Value We Create

- 82 Value Creation Model
- 86 Sustainability Strategy
- 88 Sustainability Governance
- 90 Priority Issues and Prioritization Analysis
- 92 Sustainable Development Goals We Contribute to
- 94 Stakeholder Engagement and Communication
- 98 Sustainability Training
- 100 Corporate Memberships and Supported Initiatives
- 102 Sustainability Milestones

Sustainable Banking for the Future

- 106 Green Transformation
 - 108 Combating Climate Change and Environmental Compliance
 - 111 Managing Climate Change Related Risks
 - 116 Managing Biodiversity and Forest Risks
 - 116 Managing Water Risks
 - 117 Environmental and Social Risk Management System
 - 120 Products and Services Supporting the Transformation Economy
- 126 Responsible Transformation
 - 128 Customer Experience and Satisfaction
 - 129 Responsible Products and Services
 - 133 Responsible Customer Communication and Marketing Activities
 - 134 Cybersecurity and Customer Privacy
 - 135 Data Protection and Management
 - 136 Financial Inclusion and Financial Literacy

Sustainable Operations for the Future

- 142 Operational Transformation
 - 144 Digital Transformation and Innovation
 - 151 Platform Banking: Digital Bridge
 - 153 Operational Excellence and Business Continuity
 - 156 Environmental Footprint Reduction and Impact Management
 - 160 Sustainable Value Chain Management
- 162 Transformation of Employee
 - 164 Equal Opportunity, Diversity and Gender Equality
 - 172 Human Resources Approach and Management
 - 174 Talent Management, Planning and Employee Wellbeing
 - 180 Performance Management
 - 182 Employee Satisfaction and Engagement
 - 184 Occupational Health and Safety

Sustainable Society for the Future

- 190 Social and Community Investments
- 196 QNB Türkiye Volunteers
- 198 Sponsorships

Corporate Governance

- 202 Structure of the Board of Directors
- 204 Board of Directors Diversity Matrix
- 206 Organizational Structure and Changes
- 208 Remuneration and Financial Rights
- 209 Committees Under the Board of Directors
- 210 Participation at the Board and Board Committee Meetings
- 210 Other Committees in the Bank
- 214 Information on the General Assembly
 - 214 Agenda of the Ordinary General Assembly
 - 214 Agenda of the Extraordinary General Assembly
 - 214 Amendments to the Articles of Association
 - 218 Dividend Distribution Proposal
 - 219 Summary of the Board's Report Submitted to the General Assembly
- 220 Statement of Responsibility Regarding the 2024 Integrated Annual Report
- 221 Independent Auditor's Report on the Integrated Annual Report for the Year 2024
- 223 Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period
- 235 Transactions Carried Out with QNB Bank A.Ş.'s Risk Group
- 236 Information on Support Service Groups and the Companies Providing Support Services
- 237 Transparency, Legal Compliance and Business Ethics
- 239 Compliance Reports within the scope of CMB Legislation
 - 239 Corporate Governance Compliance Report
 - 250 Corporate Governance Information Form
 - 258 Sustainability Compliance Report
- 266 Additional Information on the Activities of the Bank

Financial Reports

- 268 Unconsolidated Statements and Independent Audit Report
- 442 Consolidated Financial Statements and Independent Audit Report

Appendices

- 618 Key Performance Indicators
- 621 Performance Tables
- 630 Glossary of Terms
- 632 Independent Assurance Report
- 634 Women's Empowerment Principles (WEPs) Progress Chart
- 635 UNGC Index
- 636 GRI Content Index
- 643 Task Force on Climate-Related Financial Disclosures (TCFD) Index
- 644 SASB Index



As QNB Group, throughout our 60 year journey of growth and excellence, we have endeavored tirelessly to reach the summit. We have established the foundation of our current strength with the experience we have gained throughout this journey. Today, with our innovative and agile structure, we offer our customers a banking service beyond expectations. We shape the future of the industry by taking simultaneous and pioneering steps in sustainability and digitalization. We have a structure strictly adhering to responsible banking principles. In line with these principles, we maintain our operations without compromising the values we have adopted.

With our profound heritage, we shall continue adding value to the planet, society, and our customers' lives.



Pioneering the change

This year, we have undergone a comprehensive transformation process, adhering to our values of “people first, trust, adaptation, being a pioneer, and development together.” We have changed our commercial title as QNB Bank A.Ş. and identity as QNB Türkiye. For 37 years, we have guided our customers to achieve their financial goals through transformation and innovation. While making a difference in the sector with our servant leadership approach, we always stand by our customers as a reliable companion.



Building the future

We prioritize sustainability across all our processes, from the products and services we offer, to our operations, leveraging our financial strength to contribute to the environmental, social, and economic development of our country and society. We are committed to building a better world for future generations. Sustainability is a guiding principle in every step we take, and we move forward with unwavering determination under its light.



Being part of the transformation

Our twin transformation process opens a new door in the banking sector through innovative solutions and an agile approach. We are taking pioneering steps in this transformation with the Digital Bridge Platform we developed for SMEs and collaborations such as Captanomy and Erguvan. We support creative ideas with our QNBeyond innovation laboratory and offer our customers a unique banking experience with our digital assistant Q.



Believing in the power of women

We are stable and balanced on the road leading to gender equality. We raise awareness in the sector with our women employee ratio of 59% and projects such as the “Export Academy for Women.” We support women’s participation in the workforce and their economic empowerment and strive to improve the gender balance. We wholeheartedly believe that unlocking the potential of women will lead us toward a stronger future together.



Carrying success to the top

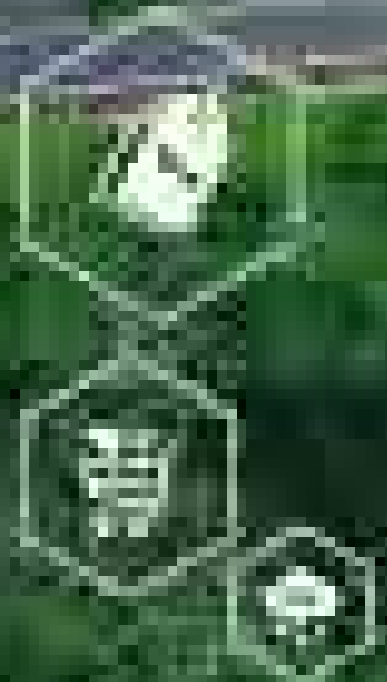
We demonstrate our pioneering role in the sector with international awards such as Globee Business Awards, MENA Stevie Awards, and International Finance Awards. These awards are reflections of not only our success but also the value we attach to our customers and the positive impact we have made on their lives. We will keep rising to the top with our innovative perspective focusing on excellence and the successes we have achieved.

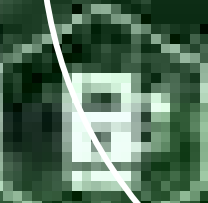
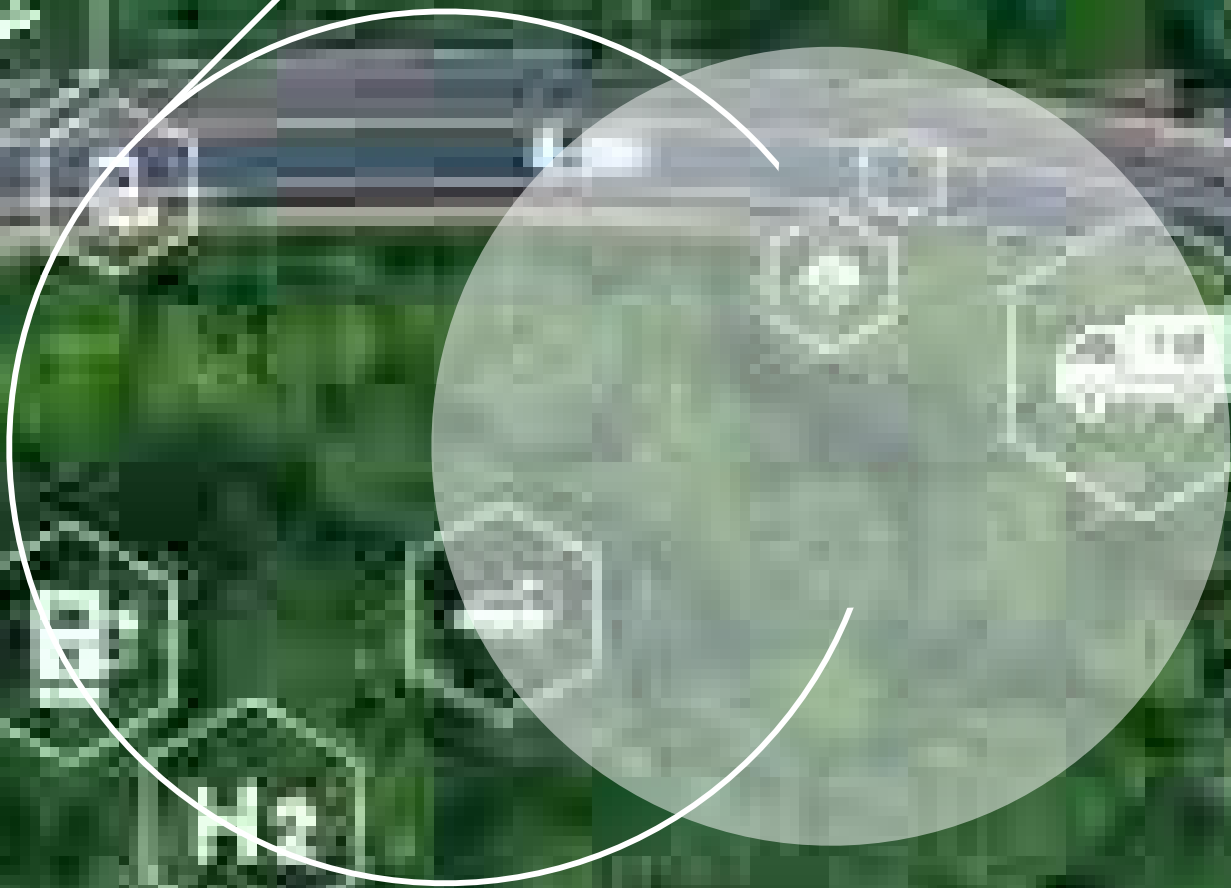




Introduction

QNB Türkiye aims to consolidate its leadership in the financial sector and add value for the benefit of society through sustainable growth and social responsibility.





H₂



About the Report

QNB Türkiye discloses its sustainability-oriented growth strategy and the concrete steps it has taken in this regard in its Integrated Annual Report, covering its financial and non-financial performance for 2024.

QNB Türkiye discloses its sustainability-oriented growth strategy and the concrete steps it has taken in this regard in its Integrated Annual Report, covering its financial and non-financial performance for 2024. The report for this year provides a comprehensive assessment of the Bank's sustainability vision and its commitment to becoming a responsible actor in a global financial ecosystem.

In line with its sustainability strategy, QNB Türkiye prioritizes supporting human well-being, social progress, and economic resilience worldwide. The Bank aims to lead this transformation by integrating its environmental, social, and governance (ESG) impacts into its business processes. In line with this strategy, QNB Türkiye supports and encourages the transformation processes of not only its own operations but also those of all its stakeholders. Collaborating with a wide range of stakeholders, particularly its customers, the Bank embraces the vision of creating shared value in this area.

QNB Türkiye 2024 Integrated Annual Report consists of eight main sections:

The "Corporate Profile" Section includes QNB Türkiye's basic corporate information, the substantial milestones of its sustainability journey, and the awards and achievements attained with its subsidiaries during the period.

The "2024 Developments" Section details the Bank's macroeconomic, sectoral, and financial performance within the framework of global economic developments and the outlook for the Turkish economy, and discloses key financial indicators and credit ratings.

The "QNB Türkiye in 2024" Section summarizes the operations and progress made by the Bank's core business units during 2024.

The "Value We Create" Section outlines the Bank's value creation model, sustainability strategy, priority issues, and progress achieved in these areas. Communication with stakeholders, initiatives supported and Sustainable Development Goals contributed to are detailed in this section.

The following three sections of the report provide a comprehensive overview of QNB Türkiye's progress in its value creation journey and the tangible outcomes achieved during the reporting period: Sustainable Banking for the Future, Sustainable Operations for the Future and Sustainable Society for the Future. Each section presents priority issues related to QNB Group's essential building blocks for sustainability, key performance indicators (KPI) for these issues, related Sustainable Development Goals (SDGs), and the Bank's sustainability targets. In addition, a brief evaluation of the risks and opportunities faced by the Bank are presented.

The "Sustainable Banking for the Future" Section evaluates the Bank's performance in environmental, social, and economic domains in the context of its sustainable financing approach.

The "Sustainable Operations for the Future" Section addresses QNB Türkiye's endeavors to create sustainable value by reshaping its operational processes with digitalization, environmental responsibility, and people-oriented approaches.

QNB Türkiye aims to lead this transformation by integrating its environmental, social, and governance (ESG) impacts into its business processes.



The “Sustainable Society for the Future” Section focuses on QNB Türkiye’s endeavors to contribute to social welfare by going beyond financial activities. The Bank creates value for an inclusive and sustainable future by engaging with diverse segments of society through its social investments, volunteer initiatives, and sponsorships.

The eighth and final section, “Corporate Governance,” provides a summary of the Bank’s organizational structure, documentation regarding the General Assembly and Integrated Annual Report, compliance reports, Bank’s policies applicable legislation, and the Bank’s efforts to comply with the best practices.

Structure and Content of the Report

QNB Türkiye’s second Integrated Annual Report presents a comprehensive assessment of the Bank’s activities focused on creating sustainable value by addressing financial and non-financial capital elements with a holistic approach. The 2024 Integrated Annual Report details the Bank’s performance in 2024, the impact of this performance for its stakeholders, the risks and opportunities encountered during the value creation process, the integration of sustainability priorities into the business model, and its future goals.

Period and Scope of the Report

QNB Türkiye 2024 Integrated Annual Report covers the Bank’s performance between 1 January 2024 and 31 December 2024. The report focuses on operations in Türkiye and abroad and includes summary information on QNB Türkiye’s subsidiaries: QNB Invest, QNB Leasing, QNB Asset Management, QNB Factoring, QNB Asset Leasing, and QNB Health Life Insurance and Pension. However, the details of the subsidiaries’ operations are excluded from the scope of the report.

Compliance with legislation and regulatory framework

QNB Türkiye 2024 Integrated Annual Report is in compliance with the regulations of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB) on annual reports.

The report has been prepared in accordance with the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI) and the Integrated Reporting Framework (IR) organized by the Value Reporting Foundation (VFR). The report includes the statement of progress on the United Nations Global Compact (UNGC) and the United Nations Women’s Empowerment Principles (WEPs) and QNB Türkiye’s contributions to the United Nations Sustainable Development Goals (SDGs). In addition, the Report meets the requirements of the Commercial Banks Volume of the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) Index.

Audit

In the QNB Türkiye 2024 Integrated Annual Report, an audit has been performed on the financial reports by PWC Bağımsız Denetim ve SMMM A.Ş. and a limited assurance audit on selected non-financial information by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. Please refer to Independent Assurance Report, page 628.

Contact

The report is available on the Public Disclosure Platform (KAP) and the Bank’s corporate website under Investor Relations | Financial Information | Annual Reports and Reports and Policies | QNB Türkiye.

You can contact the sustainability team at sustainability@qnb.com.tr for your opinions, suggestions, and feedback regarding QNB Türkiye’s sustainability efforts.

You can contact the Investor Relations Department at investor.relations@qnb.com.tr for your questions, suggestions, and feedback regarding Investor Relations activities.



Message from the Chairperson

Ömer A. Aras
Chairperson of the Board of Directors







Message from the Chairperson

We further enhance the value we create by moving forward with a vision that is guided by our responsibilities to both the global community and our country.

Net loans

870 Million TL

Customer deposits

823 Million TL

Net profit for the period

36.2 Billion TL

Dear Esteemed Stakeholders,

In 2024, markets have experienced fluctuations between the optimism introduced by the decline in global inflation and the unfavorable environment caused by geopolitical risks. In addition, consecutive elections worldwide have paved the way for political shifts. All these uncertainties are asserting considerable pressure on the global economic outlook. In its recent October report, the IMF lowered its growth forecast for 2025 to 3.2%, indicating that the fragile course will not be at the expected level in the short term.

The political and economic turmoil of 2024 left deep scars on the global stage as we enter 2025. Indications of back to trade wars and the burden of increased tariffs, coupled with the threat of economic stagnation, jeopardize global prosperity. These developments have once again demonstrated the cruciality of the vital international cooperation and economic stability.

On the other hand, sustainability continues to rise as an indispensable part of the solution in all global economic equations. The financial obligations of the Border Carbon Regulatory Mechanism (BCRM), which will come into effect in 2026, will make 2025 a critical preparation period for countries and companies trading with Europe. Of course, the period ahead requires not only focusing on decarbonization targets but also adapting to new-generation technologies and digitalization. The rise of artificial intelligence with unprecedented momentum is not only a technological transformation, but also a multi-layered process with economic, social, and ethical dimensions.

As a part of this global transformation, Türkiye continued its progress on the sustainable development road map in 2024. In terms of our economy, last year would be remembered as a period during which re-balancing measures has become increasingly apparent. While the tightening policies of the economic administration made significant progress in combating inflation, the re-balancing in domestic demand and the improvement in the foreign trade deficit were remarkable. In December, the Central Bank reduced its policy rate by 250 basis points, lowering it to 47.50%, and announced the commencement of a prudent monetary easing cycle.

During this challenging period, the increase in foreign exchange reserves and the decline in the credit risk premium boosted confidence in Türkiye in international markets. The gradual slowdown in growth is an inevitable outcome of the process of combating inflation. The measures taken to redress a better balance between growth and price stability throughout the year proved crucial in achieving a more robust economic foundation as we entered 2025. We believe that Türkiye, which will prioritize structural reforms in the period ahead, shall continue its trajectory of enduring, high-quality growth from where it left off.



In addition to the products and services we developed, we also improved our environmental performance, increasing our effectiveness in combating climate change.

Under challenging market conditions, the Turkish banking sector once again succeeded in another test, particularly in terms of financial resilience and compliance with the requirements of the day. Shrinking interest margins and rising costs repressed the banks' funding ability, while a slowdown in credit demand limited balance sheet growth and profitability. In this period, Turkish banking diversified its income sources by increasing its non-interest income. The sector also continues to improve customer experience and operational efficiency by successfully migrating the services it provides through physical channels to the digital channels and turning to new growth areas.

Our Bank continued to exhibit a growth performance in line with its targets and to generate permanent value for the Turkish economy. Owing to our robust financial structure, business strategies adapting to dynamic conditions, and the dedication of our employees, we once again delivered outstanding results.

At QNB Türkiye, we are excited to step into a new era. In line with QNB Group's vision of international brand integrity, we now proceed with our new identity. This change represents not only a new name but also a decisive step towards providing our customers with a better and more holistic service.

We further enhance the value we create by moving forward with a vision that is guided by our responsibilities to both the global community and our country. In 2024, we demonstrated our leadership in sustainability within the sector by channeling sustainable syndicated funds raised in international debt markets into the economy through environmental-, social-, and governance (ESG)-themed financing instruments. We have also undertaken other pioneering activities contributing to our country's 2053 net zero carbon goals. While providing resources for eco-friendly projects with the green bonds we issued, we aimed to support the sustainability of our water resources with Türkiye's first blue bond. We also supported social benefits by contributing to increasing access to basic services through our social bonds.

We accompany SMEs on their twin transformation journeys to ensure the sustainability of digital technologies by leveraging our financial strength and intellectual know-how, thereby contributing to the transition toward a low-carbon economy and enhanced global competitiveness. In this context, we developed new financing solutions specific to energy efficiency and environmental-friendly projects during the period. In addition, through the Digital Bridge, we help our SMEs, the backbone of the economy, conduct due diligence and shape their future strategies. In 2024, we carried out remarkable collaborations to ensure that they are equipped with the necessary knowledge in their transformation processes.

In addition to the products and services we developed, we also improved our environmental performance, increasing our effectiveness in combating climate change. The certification of our outputs by prominent international platforms such as the Carbon Disclosure Project (CDP) motivates us on our journey to become an even more responsible organization.

As an active corporate citizen, we assume responsibility for a wide range of issues, from promoting gender equality and combating the climate crisis to supporting our children's education. Through our Tiny Hands Big Dreams Corporate Social Responsibility Platform, we have produced numerous original works for 10 years to help tens of thousands of children be ready for the future with confidence. Through our Tiny Hands Writing Code program, we continue to provide training initiatives designed to ensure that our children become not only consumers but also producers when using computers. In 2024, we also supported the "Nature Pioneers Youth Program" organized in cooperation with the World Wildlife Fund (WWF Türkiye) and the Ministry of National Education to raise environmental awareness.

We support the empowerment of women in economic and social life and strengthen an egalitarian business culture within the organization in all areas from recruitment to leadership and career and wage policies. We contribute to a broader transformation through our social initiatives. In 2024, we took crucial steps towards a more inclusive society and business world. By joining the 30% Club, we reinforced our commitment to strengthen the representation of women in senior management. We supported our women entrepreneurs to become stronger in global markets through the Export Academy for Women.

QNB Türkiye shall continue to take steps in 2025 with the goal of creating a better future, not focusing on short-term gains. In this journey, the support of our stakeholders shall continue to be our greatest source of strength. I sincerely thank all our employees, customers, and business partners, believing that we shall achieve even greater success together.

Best regards,

Ömer A. Aras
Chairperson



Message from the General Manager

Ömür Tan
General Manager







Message from the General Manager

As QNB Türkiye, we focus on creating long-term value alongside financial success by integrating environmental, social, and economic factors into our decision-making mechanisms.

Dear Esteemed Stakeholders,

Last year has been characterized by challenges for the global economy, including escalating geopolitical conflicts, persistent—albeit declining—inflation, and high borrowing costs. These challenges were further complicated by the fact that 2024 was an election year during which half of the world's population had cast their ballots. On the one hand, although geopolitical and political tensions remained high throughout the year, positive developments in inflation were accompanied by a more moderate growth outlook than expected. In early 2025, the existing risks and uncertainties were further compounded by re-rising protective approaches in the global trading system.

The Turkish economy, on the other hand, managed to stay on a growth path in 2024 while progressing through the re-balancing process with tight monetary policy and macro-prudential measures. While the determined policies of the economic administration yielded positive results in combating inflation, the contractionary impact of declining domestic demand on imports led to a decline in the current account deficit. These developments also led to higher credit ratings of international credit rating agencies. Expecting the disinflation process to gain momentum, we anticipate that our economy will continue its steady growth trajectory with improvements in macroeconomic balances in 2025.

We achieved results that reinforced our power to create value

As QNB Türkiye, we have demonstrated a strong financial performance in line with our growth goals despite the risks and uncertainties prevailing throughout the year. In 2024, our total assets increased by 53% compared to the end of the previous year, reaching TL 1 trillion 511 billion 870 million. In the same period, our net loans increased by 52% to TL 870 billion 388 million, and our customer deposits by 36% to TL 822 billion 653 million. Our shareholders' equity increased by 46% to TL 119 billion 1 million. By maintaining our strong capital structure and asset quality, we concluded this reporting period with a net profit of TL 36 billion 174 million, achieving a level of profitability that allows us to look to the future with greater optimism.

We started to take stronger steps towards the future with our new brand

In 2024, we changed our brand name in line with QNB Group's strategy to grow under a single global brand across more than 28 countries where it operates. We now continue our journey under the name QNB Türkiye, ensuring our brand integrity at the international level in partnership with our main shareholder, among the leading

global financial institutions. Throughout this process, we have fully preserved the values that define us, our deep-rooted corporate culture, our strong commercial relationships, and our reliable business manner. By implementing an effective communication strategy, we announced our brand change, which we believe will boost our growth momentum, with our "I choose QNB - I move to QNB" campaign.

As QNB Türkiye, we focus on creating long-term value alongside financial success by integrating environmental, social, and economic factors into our decision-making mechanisms. Thus, we enhance our competitiveness through effective management of opportunities and risks. In this context, this year is special for us because the business models and good practices we have developed with our inclusive sustainability approach have been recognized on a global scale. We have been rewarded with numerous awards from prestigious organizations such as Stevie, Global Finance, Euromoney, and International Finance Awards, demonstrating that our bank leads the sector by focusing on innovation, experience, and solutions.

As in the previous year, we provided funds worth of USD 1,050 million to the Turkish economy through the sustainable syndicated loans we obtained in two separate periods. With this achievement, we have maintained our title as the only Turkish bank that has provided three-year forward funding in the last five years. Our first sustainable Eurobond issuance of USD 500 million during the period was the issuance with the lowest-cost borrowing in the Turkish banking sector since September 2021. This issuance was also included in the BIST Sustainability Themed Debt Instruments Index. In 2024, in addition to the USD 120 million green bonds, we also issued a USD 25 million blue bond, a first in Türkiye, in cooperation with the International Finance Corporation (IFC). This issuance, one of the very few blue bonds in the world, will be an important step for the protection of marine and water resources. As of year-end 2024, the share of our responsible borrowing transactions in our total external borrowings climbed to 34.4%.

Our Bank's reliability, financial strength, and innovative approach in international debt markets continue to be appreciated internationally. We received the Bond Deal of the Year award from the Global Banking & Markets CEE, CIS & Türkiye Awards for Financial Institutions in 2024 for our USD 300 million Tier 2 Bond issuance in November 2023. With this issuance, as the first Turkish bank to issue subordinated bonds in international markets since 2021, we led the market, paving the way for the USD 5.4 billion issuance made after us.



We expedite green transformation with digitalization

We see digitalization as the milestone of sustainability and actively integrate it into our business processes with technologies such as big data, artificial intelligence, and data analytics. This approach allows us to enhance customer experience by increasing our operational efficiency and expanding our environmental contributions. For instance, in 2024, we transitioned our letter of guarantee approval and utilization processes entirely to digital channels, saving our customers time and improving our resource efficiency.

In addition to offering new technologies to our customers where they need them with the best experience, we also support our SMEs in their growth and development journey. In the previous year, we launched the Green Transformation Loan Program to encourage businesses to reduce their carbon footprint. In 2024, we developed an innovative Loan with Lower Interest Rates as Green Increases. In order to increase the knowledge and raise the awareness of our customers and help them become more prepared for global competition, we collaborate with our technology partners to offer consultancy services to guide the twin transformations of businesses. In this context, we added Erguvan's Azalt (Reduce) solutions together with Captanomy to the services we offer through our Digital Bridge platform. In addition, we share our knowledge and experience with SMEs at our "Digital Bridge Anatolia Meetings" events, thereby helping them to develop more creative and resilient business strategies. On the other hand, with QNBpay, another innovation in this context, we support the financial lives of companies by offering a fast and easy payment experience.

Working for a more livable world is at the core of our business strategies

QNB Türkiye recognizes that financial service providers bear one of the greatest responsibilities in terms of the effectiveness of efforts to combating the climate emergency. With our responsible financing solutions supporting our sustainability strategies, we contribute to our country's transition to an industry based on a low-carbon economy in line with the 2053 Net Zero goal. By measuring our transition and physical risks arising from climate change, we expedited the transformation of our portfolio.

We believe that our business manner is as significant as the outcomes we achieve; accordingly, we develop projects designed to minimize our direct impact on the environment. We strive to extend our priority of combating climate change across our entire value chain to inspire our stakeholders to make sustainable choices. Our outstanding performance in the Carbon Disclosure Project's (CDP) 2024 Climate Change and Water Security Program earned us a place on the Global A List. We have expedited our investment in solar power plants to ensure that our entire energy consumption is supplied exclusively by green energy. Simultaneously, we are implementing a range of initiatives designed to enhance our resource efficiency, with a specific focus on energy and water.

In 2024, we aimed to contribute to the sustainable transformation journey of Organized Industrial Zones (OIZs) across Türkiye as part of a long-term agreement with the Organized Industrial Zones Supreme Organization (OSBÜK). Within the framework of this strategic partnership, we aim to lead the green transformation in the industry by fulfilling the requirements of OIZs in the areas of digitalization and sustainability through the financial solutions offered by us. We shall continue to support OIZs in the goals of reducing their carbon footprint, achieving energy efficiency, and minimizing their environmental impact.

We continue our social investments in line with our inclusive sustainability approach

While diligently fulfilling our social welfare responsibilities, we enhance the added value generated by our high-impact projects. We have placed women and children at the core of our social investments. We have reached over 720,000 children to date. To date, we have assumed numerous initiatives designed to ensure that women play a more active role in economic life and support women's entrepreneurship. The most recent of these efforts was the "Export Academy for Women" project, which we launched in 2024 in cooperation with the Association of Women Exporters (IKADE) to empower women exporters. Consequently, we will provide training, mentoring, financial support, and counseling to more than 600 women in order to support women to take more active roles in economic life.

Through our Small Hands Big Dreams platform, we continue to support our children, the architects of our future, to be prepared for future's world. With our Small Hands Coding project, we provided 20 thousand hours of coding training to more than 3 thousand children in 2024, increasing the number of children we have reached since the beginning of the project to 45 thousand and the total training time to 400 thousand hours. We had the justified pride of witnessing our children develop creative projects at the 2024 Scratch Cup, themed "Sustainable Living Spaces." In addition, we supported the "Nature Pioneers Youth Program" carried out in cooperation with WWF Türkiye and the Ministry of National Education and hosted the Nature Pioneers National Youth Conference on June 5, World Environment Day, for the second time. At the event, 14 valuable projects contributing to an even more livable world were awarded.

By prioritizing innovation and environmental awareness at the highest level, we move forward with the vision of becoming an impact-oriented global actor. In addition to enhancing our contribution to economic development with our strong financial performance, we will continue to be among the sector leaders with our ESG-oriented efforts. As has been the case for 37 years, our 14,541 employees, including those at our subsidiaries, will continue to serve as the guarantee of our future commitments and the most valuable richness of our Bank.

As we conclude another successful year, I would like to extend my gratitude to all our stakeholders for their trust and support.

Best regards,

Ömür Tan
CEO



Our Strong Performance in 2024

Green Transformation



“Global A List”

CDP Climate Change Program score

“Global A List”

CDP Water Security Program score

Loan with Lower Interest Rates as Green Increases

Financing solutions for businesses, encouraging them to reduce their carbon footprint

USD 400 million

Sustainable syndicated loan amount

USD 650 million

Sustainability-linked syndicated loan amount - The only bank in the sector to secure borrowing with 3-year maturity

First sustainable Eurobond issuance

USD 500 million

Türkiye’s first blue bond issuance

USD 125 million green and blue bond issuance

USD 329 million

Amount of project finance loans provided to the renewable energy sector

Expansion of the “Exclusion List”

Radioactive metals, activities where land ownership belongs to indigenous people, and unsustainable forestry

Launching QNB Asset Management QNB Clean Energy Index Equity Exchange Traded Investment Fund for investors

Green Program in collaboration with TEMA

Tree planting on behalf of customers using digital payment methods

Operational Transformation



2.9 billion^(*)

Number of transactions performed through digital channels

6.9 million^(*)

Number of active digital customers

6.8 million^(*)

Number of mobile banking active customers

Recycling 138 tons of paper, 39 tons of glass, 11 tons of plastic, and 3 tons of metal waste

Transition to 100% LED

Completion of LED transformation in the Head Office buildings

Prevention of 1,540 kg CO₂e emissions

Recycling 1.5 tons of coffee pulp waste

2 electric vehicle (EV) stations

Installation of 2 new electric vehicle (EV) stations at Crystal Tower

In 295 branches,

Transition to zero waste

73%

Increase in the transition of branches to new generation air conditioners

57%

Increase in LED transformation of branches

71%

71% reduction in operational emissions (base year is 2017)

Zero Scope 2 Emissions

100% use of renewable energy resources in electricity consumption

^(*) Retail and commercial



Responsible Transformation



USD 142 million

IFC, EBRD, Proparco to be lent to earthquake-affected individuals and SMEs loan agreement

20+ Digital Solutions

Digital solutions for SMEs through the Digital Bridge Platform

Digital Bridge Academy

In 2024, companies' digitalization, sustainability, and financial literacy were supported with 33 new blogs

Training, mentoring, financial support, and counseling **support to more than 700 women with the "Export Academy for Women" Project** in collaboration with the Association of Women Exporters (IKADE)

Transformation of Employee



11,949

Number of employees

14,541

Number of employees including subsidiaries

59.29%

Ratio of female employees

23.53%

Ratio of female managers

27.27%

Ratio of female employees in the Board of Directors (30%, excluding natural members)

20%

Ratio of female chairs in committees reporting to the Board of Directors

20 days

Paternity leave based on statutory periods

Bloomberg Gender Equality Index score: 6.14 out of 10

Success in Türkiye (3rd ranking among private banks) and on an international scale in terms of its gender equality performance

Advancing gender equality commitments

Targeting wage gap ratio of 25.5% for 2025 and 25% for 2026

Support for Business Against Domestic Violence Project

Collaboration with Sabancı University Corporate Governance Forum to combat domestic violence

Membership in the 30 Percent Club

Support to improve gender balance in the Board of Directors and at all levels

One with the Society



720,000+ Children

Reaching more than 720,000 children with 4,500 volunteers and 85 projects with the Small Hands Big Dreams Platform

With "King Şakir Save the World" and "King Şakir Our Planet" sustainability awareness training to more than 100,000 children

Volunteer Project Competition

More than 3,000 children were reached through 6 projects
Climate awareness training for **1,411 children from 10 different provinces** as part of the Climate Protectors are Growing Up Project in collaboration with TEGV

Online and physical coding training for more than 4,000 children for over 30,000 hours as part of the Small Hands Coding Project in collaboration with Habitat, Scratch Cup - Sustainable Living Spaces with applications from 1,174 teams from 50 cities and awards to 10 finalist teams in various categories

Small Hands Big Dreams Education Scholarship - scholarship support for 350 students affected by the earthquake in collaboration with TED & TEV

Climate Awareness Training for 10,000 Children
Climate training for 10,000 children with 1,000 teachers as part of the Nature Pioneers Youth Program in collaboration with WWF and MoNE

Sponsorship, mentorship, internship, and job opportunities for 10 female engineers in collaboration with Women in Technology Association (WTECH)



Corporate Profile

QNB Türkiye has 14,541 employees including subsidiaries, and is Türkiye's fifth largest private bank in terms of total assets, customer deposits, and net loans.







QNB Group at a Glance

QNB Group is a trusted business partner for its growing customer base in more than 28 countries today.

We are proud to be a part of QNB Group, a highly-rated bank with significant international presence, serving more than 33 million customers across its network. Established in 1964 as the first Qatari-owned bank, QNB is the largest financial institutions in the Middle East and Africa (MEA) and one of the leading banks in the MEA and Southeast Asia (MEASEA) region. QNB Group is a trusted business partner for its growing customer base in more than 28 countries today.

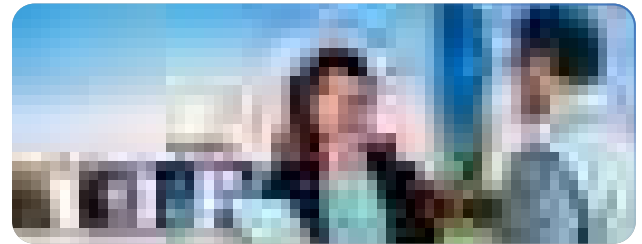
By leveraging the strength of its relationships and the diversity of its footprint, QNB Group fuels growth across multiple, strategically-selected regions, creating long-term sustainable value for individuals, institutions, countries, communities and its shareholders.

Business Mix of QNB Group



1. International Business

International presence operating in more than 28 countries across Asia, Africa, and Europe, operating as a full-service financial institution in its core markets of Qatar, Türkiye and Egypt and as a wholesale commercial bank across MEASEA.



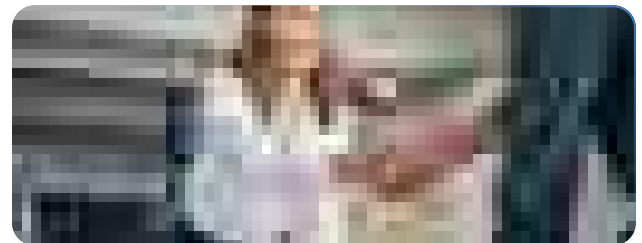
2. Wholesale and Commercial Banking

A comprehensive suite of wholesale, commercial and SME banking products and services. These include structured finance, project finance, sustainable finance, transaction banking, financial institutions, treasury, investment banking and advisory services.



3. Asset and Wealth Management

A broad collection of onshore and offshore private banking and asset management products, with a bespoke relationship-driven approach for its institutional, high net and ultra-high net worth clients. These offerings are complemented by brokerage and custody services in its major markets.



4. Retail Banking

A broad array of retail banking products and services across a multichannel network with 952 branches and an ATM network of more than 5,000 machines (including those of its subsidiaries and associates). These include premium banking services through QNB First and QNB First Plus, designed for its affluent clients.



Top-tier Ratings

Long-term credit rating	Moody's Aa2	Standard&Poor's A+	Fitch A+	Capital Intelligence AA
ESG Ratings	MSCI A	Sustainalytics 21.9	S&P Global ESG Score 52 (83rd percentile)	CDP B

Key Financial Performance Indicators

Assets USD 356.5 billion	Net Profit USD 4.6^(*) billion	Earnings per Share USD 0.46	Capital Adequacy Ratio 19.2%
---	---	---	---

Subsidiaries and Associates



99.88%
QNB
Türkiye



95.0%
QNB ALAHLI
(Egypt)



91.57%
QNB
Indonesia



99.99%
QNB Tunisia



100%
QNB Suisse S.A.
(Switzerland)



100%
QNB Capital LLC
(Qatar)



100%
QNB Financial
Services (Qatar)



100%
Digital-Q-FS Ltd
(U.K.)



54.2%
Mansour Bank
(Iraq)



50.8%
QNB Syria



40%
Commercial Bank
International (CBI)
(UAE)



38.6%
Housing Bank for
Trade and Finance
(HBTF) (Jordan)



20.1%
Ecobank Transna-
tional Incorporated
(Ecobank) (Togo)



20%
Al Jazeera Finance
Company (Qatar)

^(*) Profit Attributable to Equity Holders of the Group



About QNB Bank A.Ş. (QNB Türkiye)

The Bank's commercial title was changed as QNB Bank A.Ş. on 11 October 2024, and the Bank continues to take decisive steps to carry its success story further.

Founded in 1987 as Finansbank A.Ş., QNB Türkiye is the fifth-largest private bank in Türkiye in terms of total assets, customer deposits, and net loans with its 14,541 employees including its subsidiaries. In 2016, Qatar National Bank (Q.P.S.C.) (QNB Group) acquired a 99.9% majority shares in Finansbank. Having started to create value under the roof of QNB Group since that date, the Bank's commercial title was changed as QNB Bank A.Ş. on 11 October 2024, and the Bank continues to take decisive steps to carry its success story further.

By the end of 2024, QNB Türkiye serves its customers through its Head Office in Crystal Tower, Operations Centers in Erzurum and Ümraniye/Istanbul, 13 Regional Directorates, and a total of 427 branches as 425 in Türkiye, 1 abroad (Bahrain) and 1 in Atatürk Airport Free Zone.

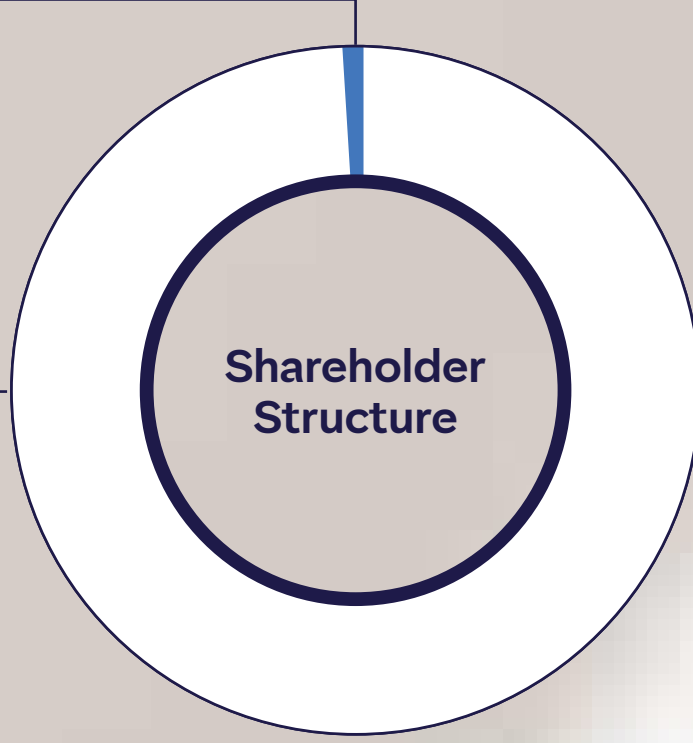
The bank also offers products and services to its customers in factoring, investment, leasing, consumer finance, insurance, portfolio management services, and e-transformation products through its subsidiaries and affiliates.





0.12%
Other

99.88%
Qatar National Bank
(Q. P. S. C.)



Subsidiaries and Affiliates



- QNB Finansal Kiralama A.Ş. (QNB Leasing)
- QNB Yatırım Menkul Değerler A.Ş. (QNB Invest)
- QNB Portföy Yönetimi A.Ş. (QNB Asset Management)
- QNB Faktoring A.Ş. (QNB Factoring)
- QNB Varlık Kiralama Şirketi A.Ş. (QNB Asset Leasing)
- QNB Sağlık Hayat Sigorta ve Emeklilik (QNB Insurance)
- QNB BEYOND Ventures B.V.
- IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. (IBTech)
- QNB eSolutions Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. (QNB eSolutions)
- Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (Bantaş)



Our Vision, Mission, Purpose, and Values

Our Vision



Being the architect of every individual and commercial financial plan that will catalyze Türkiye's success

Our Mission



Establish lifelong partnerships with all stakeholders of QNB Türkiye by understanding their needs, finding the right solutions, and aiming for maximum customer satisfaction

Our Purpose



We go beyond expectations and create long-lasting value!





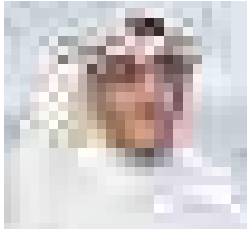
Board of Directors



M. Ömer A. Aras

Chairperson

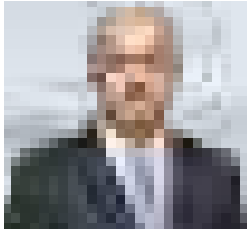
QNB Bank A.Ş. Chairperson of the Board of Directors Dr. Ömer Aras completed his primary and secondary education at Şişli Terakki High School. In 1975, he graduated from the Academy of Economic and Commercial Sciences, where he studied Economics and Finance. He obtained his MBA (1978) and Ph.D. (1981) in Business Administration from Syracuse University. He served as a faculty member in the Business School at the Ohio State University for three years. Between 1984-1987, he worked as a Credit Marketing Manager at Citibank Istanbul. At the beginning of 1987, he moved to Yapı Kredi Bank as the Head of the Capital Markets division. In October 1987 he worked as one of the founding members of Finansbank. He served as Deputy General Manager for two years and as General Manager for six years. From 1995 to 2005, he carried out the role of Vice Chairperson of the Executive Board of Fiba Holding. He also served on the boards of Fiba Holding's international banks (Switzerland, Netherlands, Russia, Romania, and France) and retail companies (Marks&Spencer, Gima). In 2006 he left Fiba Holding and became Vice Chairperson of the Board and Group CEO of Finansbank. In 2008, he was appointed as a member of NBG's Executive Board responsible for international operations covering Romania, Bulgaria, Serbia, Albania, Macedonia. Aras was appointed as the Chairperson of the Board of Finansbank in 2010 and continues this duty. Aras has also been serving as the Chairperson of the Board of QNB Insurance since 2012. Between 2003-2007, Aras served on the Board of Directors of TÜSİAD (Turkish Industry & Business Association), as the Vice Chairperson of the High Advisory Council from 2015 to 2024, and was elected as the Chairperson of the TÜSİAD High Advisory Council in February 2024. In addition, Aras is a member of the Board of Trustees of Boğaziçi University Foundation, Econfin Advisory Board of Boğazici University, Advisory Board of the Faculty of Law at Galatasaray University, Advisory Board Darüşşafaka Society, IIF (Institute of International Finance), EMAC (Emerging Markets Advisory Council), GBA (Galata Business Angels) angel investor network, and acts as a mentor for YKKD (Women on Boards Association).



Yousef Mahmoud H. N. Al-Neama

Vice Chairperson of the Board of Directors

Al-Neama joined QNB in 2005 and currently serves as the Group Chief Business Officer. Before joining QNB Group, Al-Neama had 20 years of experience in financial institutions in various positions in finance and corporate banking in Qatar and abroad. He received a BS in Aviation Management from the Florida Institute of Technology in the United States and a diploma in Business Management from the University of Glamorgan, Wales. Al-Neama, who currently serves as Vice Chairperson of the Board of Directors at Iraq Bank Mansour and Jordan Housing Bank for Trade and Finance (HBTF), is also a Board Member at QNB Capital.



Ramzi T. A. Mari

Member of the Board of Directors

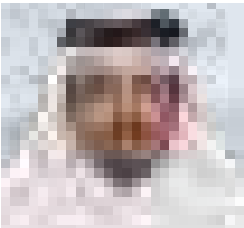
Mr. Mari joined QNB Group in 1997 after working at the Bank of Jordan and currently serves as the Group Chief Financial Officer. With 30 years of experience in the banking sector, Mr. Mari is also a Board Member and Audit Committee Member at Housing Bank for Trade and Finance (Jordan), QNB Bank A.Ş., Board Member at QNB Capital LLC and the Chairperson at Qatar International Holdings LLC (Luxembourg). Mr. Mari became a Certified Public Accountant in the State of California, USA in 1989, and he has an MA in Accounting from California State University.

**Temel Güzeloğlu****Member of the Board of Directors**

Güzeloğlu was born in 1969 and has a BSc from the Electrical and Electronics Engineering and Physics Departments of the Boğaziçi University. Later he received an MSc degree from Northeastern University Electrical and Computer Engineering and an MBA from Bilgi University. Güzeloğlu worked as the Executive Vice President responsible for Consumer Banking at Finansbank A.Ş. until August 2008 and then served as a member of the Executive Committee and Executive Vice President of the Retail Banking at Finansbank A.Ş. Güzeloğlu was appointed as General Manager in April 2010 and served in this position until the end of 2021. Güzeloğlu was appointed as a Board Member at QNB Bank A.Ş. on 1 January 2022. He is also the Chairperson of the Board of Directors at QNB Invest, QNB eSolutions, IBTech, QNB Wise, independent Board Member at Medical Park Sağlık Hizmetleri A.Ş., and a Board Member at QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. Beside these positions; he is the Chairperson of Enpara Bank A.Ş. Before joining QNB Bank A.Ş., he worked at Unilever between 1994 and 1996, at Citibank between 1996 and 2000, and at McKinsey Consulting between 2000 and 2004.

**Osman Ömür Tan****General Manager (CEO) and Member of the Board of Directors**

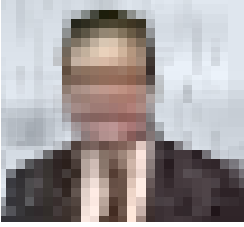
Born in 1971, Ömür Tan graduated from Ankara Atatürk Anatolian High School, and after obtaining his BA degree at Hacettepe University, Department of Statistics, he received a Master of Business Administration (MBA) from Bilgi University. Tan started his career in banking as an MT at Yapı ve Kredi Bankası in 1995 and joined Finansbank A.Ş. in 1998. He held various positions in corporate branches and served as Corporate Branch Manager, Head Office Key Account Management Group Manager, and Group Manager responsible for Corporate Banking. In 2011, he served as Executive Vice President of Corporate and Commercial Banking and was responsible for Project Finance, Cash Management, and Foreign Trade Finance. Between 2014 and 2022, he served as the Chairperson of the Board of Directors, Vice Chairperson of the Board of Directors and Board Member at QNB eSolutions, QNB Factoring, QNB Leasing and QNB Invest. He was appointed as the General Manager of QNB Finansbank in January 2022. Ömür Tan also serves as the Chairperson of the Board of Directors of QNB Factoring and the Vice Chairperson of the Board of Directors at QNB eSolutions.

**Adel Ali M. A. Al-Malki****Member of the Board of Directors**

Al-Malki joined QNB in 2003 and currently serves as the Senior Executive Vice President of Group Retail Banking Division. He received his diploma in Computer Information Technology from Qatar University in 2001. He has more than 20 years of experience in the field of information technology, where he occupied various executive positions. He served as the General Manager of the Group's Information Technology from 2010 to 2021, and as the Assistant General Manager of Development and User Services between 2009 and 2010. He also served as the Executive Manager of Development and User Services between 2007 and 2009. He managed several projects at the Bank and served as an E-Business Manager between 2005-2007 and as a Systems Analyst between 2003-2005. Al-Malki started his career in Qatar's Ministry of Interior in 1998 at the Information Systems Department. Al-Malki is also a board member in the Group's subsidiaries, including, Al-Mansour Investment Bank in Iraq, in addition to his membership in the board of directors of QNB Egypt's since October 2015.



Board of Directors



Durmuş Ali Kuzu

Member of the Board of Directors

Dr. Durmuş Ali Kuzu graduated from Business Management Department of Political Science School at Ankara University in 1996, received an MBA degree in 2008 from University of Illinois at Urbana-Champaign, and obtained his PhD degree in the field of Accounting and Finance at Başkent University in 2018 with his thesis titled "Factors Determining Credit Volume: An Empirical Study on Turkish Banking Industry." He has a CPA and an Independent Auditor Certificate. Participating to many national and international committees during this period, Dr. Kuzu represented Türkiye as a member at BASEL and FSB Banking Committees, carried out many studies on regulation and supervision practices in banking-finance sector of many countries including but not limited to US, England and European Union, actively worked in the workshops of Banking Laws and related legislations, attended various seminars and conferences, published many articles, and lectured at universities. He began his professional career in Vakıfbank in 1996 as an Assistant Loan Analyst and then served as Internal Auditor at Türkiye Emlak Bankası between 1997-1999. From 1999 to 2016, he worked as Vice President at the Undersecretariat of the Treasury, Public Oversight Accounting and Auditing Standards Authority, and Banking Regulation and Supervision Agency (BRSA). He worked on teams for creating and developing banking legislation, participating in project development, implementation and leadership, and group presidency. He held various managerial positions as team leader, coordinator, head of department and vice president. During his executive duties, he has gained experience in studying in detail particularly in loans, deposits and treasury operations, banking activities and processes, asset-liability management, enabling the compliance of corporate principles in the institutions, restructuring and turnaround practices, rehabilitation of banks and the other financial institutions, information technologies governance, risk management, compliance, internal audit, loan portfolio and corporate loan individual assessment and classification with IFRS and applying other accounting standards. Dr. Kuzu also served as an executive as Coordinator, Head of Office and Vice President in BRSA and public Oversight Accounting and Auditing Standards Authority, where he also took a part in foundation phases. Currently, Dr. Kuzu is a member of board of directors of TMA Türkiye and Bank Examiners Foundation. Since August 2016, he has been serving as a member of the Board of Directors and Audit Committee at QNB Bank A.Ş.



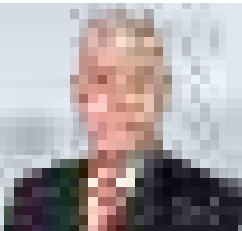
Fatma Abdulla S. S. Al-Suwaidi

Member of the Board of Directors

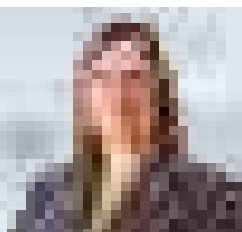
Dr. Al-Suwaidi joined QNB in 2000, and with over 20 years' experience in banking, she currently serves as the Group Chief Risk Officer, having previously been Assistant General Manager of Credit Risk Management. In addition, she is also President Commissioner of PT Bank QNB Indonesia Tbk. She has a BSc in Accounting, a Master's Degree in Business Administration (Qatar University), a MSc in Risk Management (University of New York), a Juris Doctor Degree (Hamad Bin Khalifa University), and a Doctorate in Business Administration from Grenoble University France, on the subject of 'Innovation in Banking and Financial Markets', focusing on crypto currencies.

**Noor Mohd J. A. Al-Naimi****Member of the Board of Directors**

Al-Naimi joined QNB Group in 2000 and has 23 years of banking experience. She received her BA in Business Administration from Qatar University in 1999. After working in various positions in the Treasury Operations and Control Departments, she served as Assistant General Manager of Treasury Operations, Trading & Investment and was subsequently appointed as the General Manager responsible for Treasury of the QNB Group. Al-Naimi has attended various trainings, conferences, and local and international seminars such as legal aspects of banking, leadership skills for bankers, international cash and treasury management, clear stream, treasury documentation, and the IIF Future Leaders Program. Al-Naimi also completed the 2017-2018 Qatar Executive Leaders Program. She is a Member of the Board of Directors and Audit Committee at QNB Bank A.Ş.

**Saleh Nofal****Member of the Board of Directors and Chairperson of the Audit Committee**

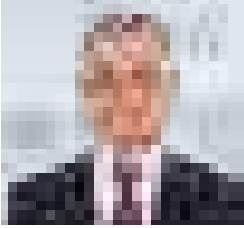
Nofal joined QNB Group in 2003 and served as the Group Chief Compliance Officer for Compliance for more than 20 years. He has over 36 years of experience in banking and financial services and has specialized in Compliance, Audit, and Risk Management throughout his career. Before joining QNB Group, Nofal worked with the Arab Bank Group, Jordan Ahli Bank, the Arab World Auditing Bureau and a Jordanian Public Accountancy Firm. He holds a Bachelor's Degree in Commerce from University of Jordan in 1985 with a number of professional certifications like the Certified Internal Auditor (CIA) from the Institute of Internal Audits (USA 2002), Certified Fraud Examiner (CFE), Certified Compliance Officer (CCO - USA 2007) and has a professional Diploma in Audit and Accounting from Arab Banking and Financial Sciences Academy (Jordan 2000). Nofal is also a member of the Association of Certified Fraud Examiners (ACFE), Association of Certified Anti-Money Laundering Specialists (ACAMS) and Institute of Internal Auditors (IIA). In addition, he is a member of MENA Financial Crime Compliance Group (FCCG) in partnership with the Union of Arab Banks.

**Yeşim Gura****Member of the Board of Directors**

Born in 1967, Gura has a BA from Boğaziçi University, Department of Business Administration, and an MBA from Indiana University Kelley School of Business, where she studied with a TEV scholarship. Gura started her career as a Financial Analyst at Procter & Gamble A.Ş. in 1991, where she took important responsibilities in Sales Finance, Finance Group Manager at the same company and at Sanipak A.Ş., a joint venture of P&G and Eczacıbaşı, between 1995 and 1999. She then served as Corporate Finance and Financial Analysis - Budget Planning Director at P&G Tüketim from 1999 to 2004. Gura worked in senior management positions as Finance Director and as Business Unit Director at Danone Hayat İçecek ve Gıda Sanayi A.Ş. between 2004 and 2017, and after this, she served as a General Manager at Danone Hayat İçecek ve Gıda Sanayi A.Ş. for 8 years starting from 2009. Gura worked as General Manager at Altıparmak Gıda A.Ş. and at Draeger Medikal ve Korunma Teknolojileri respectively. Since 2020, she has been working as a Business Coach within the scope of the European Innovation Council and as an International Strategic Consultant in the Corporate Growth Program of the European Bank for Reconstruction and Development. She received a Risk Director certificate from a global institution in 2022. She takes part in various panels and organizations on Risk Governance. She is also an International Finance Corporation (IFC) nominate director abroad and in Türkiye, she is an Independent Board Member at Super Film, an affiliated company of Sanko Holding. She is also a member of the IU Kelley School of Business Global Dean's Council, a Stakeholder Supervisory board member of the DCRO (Directors and Chief Risk Officers) Institute and a Board Member of the Board of Directors Association.

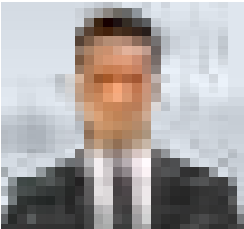


Senior Management



Adnan Menderes Yayla **Executive Vice President**

Mr. Yayla graduated from the Economics Department, Faculty of Political Science, Ankara University in 1985, and completed his MBA at the University of Illinois at Urbana-Champaign between 1992 and 1994. He served as Deputy Finance Inspector and Finance Inspector at the Ministry of Finance between 1985-1995, Head of the Project Appraisal Department at the Privatization Administration between 1995-1996, Manager, Senior Manager, and Partner at the Istanbul and London offices of PricewaterhouseCoopers between 1996-2000, and Assistant General Manager in charge of Financial Control, Balance Sheet, and Risk Management at Türk Dış Ticaret Bankası A.Ş. (Fortis) between 2000-2008. Since May 2008 when he joined Finansbank A.Ş., Yayla has been working as Executive Vice President of Financial Control and Planning and the Group CFO. He also serves as the Board Member of QNB Factoring, QNB Insurance, QNB Leasing, and QNB Invest.



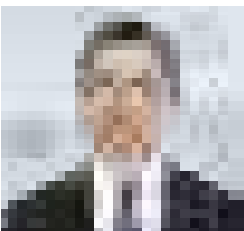
Atty. Ali Yılmaz **Executive Vice President**

Graduating in 1999 from Istanbul University, Faculty of Law, Yılmaz has been working in business life since 1996 and received his finance education at the University of Toronto between 2000-2002. With an MBA from Koç University, he started his banking career at Dışbank in 2003. Later, he served as the Director of Legal Affairs at Fortisbank A.Ş. and as a member of the Board and Legal Counsel at Soci t  G n rale T rkiye. Yılmaz joined QNB Finansbank A.Ş. in 2016. Appointed as Chief Legal Counsel in May 2018, Yılmaz has been serving as Executive Vice President since January 2020.



Bur in D ndar T z n **Executive Vice President**

T z n completed her undergraduate study in Civil Engineering at the Engineering Faculty, Middle East Technical University in 1997, and her MBA at Bilkent University Business Administration Faculty in 1999. She started her banking career as Assistant Auditor at Finansbank A.Ş. Internal Audit Department in 1999, and joined the Corporate Loans Allocation Department in 2005, where she served as corporate loans manager, division manager, and department manager. She was appointed as Corporate and Commercial Loans Director responsible for corporate and commercial loans and structured financing allocation in 2016. T z n has undertaken loan monitoring and financial institutions loan management responsibility in 2018. She has been serving as the Loans Allocation Vice President since December 2019. Her current responsibilities are Corporate, Commercial, Financial Institutions and Structured Financing Allocation. She also serves as the member of the Board of Directors of QNB Invest.



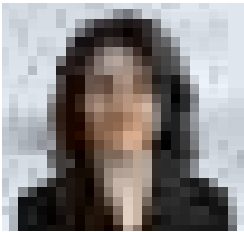
Cenk Akıncılar **Executive Vice President**

Akıncılar graduated from the Mathematics Department, Faculty of Science and Literature at Eskişehir Anadolu/ Osmangazi University in 1996. Akıncılar, who worked as a Mathematics teacher for three months, worked as the Senior Officer responsible for Salary and Industrial Relations at the Human Resources Department of Pamukbank from 1998 to May 2003. He joined QNB Finansbank in May 2003. He worked as Human Resources Assistant Manager responsible for Recruitment, System Development and Projects; manager of Organizational Development, Performance, Strategic Reporting and Revenue Management, Employee Rights and Systemic Authorization Management. He was then appointed as division manager of Human Resources Management Systems and Revenue Management, Employee Rights and Systemic Authorization Management Department. Akıncılar was appointed as the Director of Human Resources in July 2018 and as Human Resources Executive Vice President in January 2019. He also serves as the member of the Board of Directors of QNB Invest.



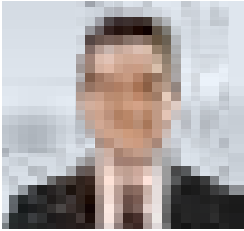
Cumhur Türkmen
Executive Vice President

Born in 1976, received his undergraduate degree in Mathematical Engineering from Yıldız Technical University, followed by an MBA from Bilgi University. He started his career in 1997 as a Software Engineer and Project Manager at IBTech A.Ş., a technology subsidiary of Finansbank, between 2005-2010. He became the Manager of Business Development and Strategy Office of Finansbank in 2010, Group Manager of CEO Office in 2012, and Director of Digital Banking at Enpara.com in 2015. One of the founding executives of Enpara.com, Cumhur Türkmen continues his role as Executive Vice President of Enpara.com since July 2018. He also serves as the member of the Board of Directors of Ibttech.



Derya Düner
Executive Vice President

Born in 1980, Düner received her undergraduate degree in Industrial Engineering from Boğaziçi University. Düner undertook several positions in the areas of marketing, project management, and strategy at Mercedes-Benz between 2003 and 2006, and at Pfizer between 2006 and 2007. In 2007, she joined QNB Finansbank as Retail Banking Manager. Following various responsibilities, she was part of the team that launched Enpara.com. Düner, one of the founding executives of Enpara.com, continued to work as the Department Manager in charge of Customer Management at Enpara.com following its launch in October 2012. In July 2015, she was appointed as Director and in addition to her existing responsibilities, she launched and ran the Customer Experience Management Office of QNB Finansbank. In January 2018, Düner founded QNB BEYOND, the innovation center, and ran the department as Director responsible for Innovation. Appointed as Executive Vice President responsible for QNB BEYOND in January 2020, Derya Düner has been serving as Executive Vice President responsible for Digital Banking and QNB BEYOND since July 2024. She also serves as the member of the Board of Directors of QNB Asset Management and Lidy.



Engin Turhan
Executive Vice President

Born in 1980, Turhan graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Economics, and has a master's degree in International Political Economy and Management. He started his banking career at Finans Bank A.Ş. as a Management Trainee in 2003 and took various responsibilities in Loans Department. In 2005, he joined the Project Finance Department and served in several positions in the Structured Finance, Project Finance, Corporate Finance, and Syndicated Loans Departments. In 2012, he was appointed Corporate Banking Structured Finance and Syndicated Loans Group Manager and continued his career as Director in 2014 with additional responsibilities in Derivative Products Sales. Commercial Banking was added to his responsibilities in 2015 and started to act as Executive Vice President in Commercial Banking and Project Finance in June 2016. As of February 2022, he has been appointed Executive Vice President in charge of ME and Commercial Banking, together with the functions of Cash Management and Foreign Trade. He also serves as a Board Member at QNB Factoring, QNB Leasing, and QNB Insurance since 2010.

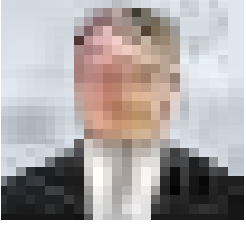


Enis Kurtoğlu
Executive Vice President

Kurtoğlu graduated from Boğaziçi University Electrical and Electronics Engineering Department in 1999, and completed his MBA in London Business School in 2006. He served in several managerial positions in marketing and sales at Citibank Türkiye between 1999 and 2002, and in Citibank Europe, Middle East and Africa Region London Central Office between 2002 and 2006. He worked as Marketing Director in Citibank Türkiye between 2006 and 2010. He joined Finansbank A.Ş. as Group Manager in charge of Retail Products in 2010. He served as Mass Banking Director between 2012 and 2014, and as Director of Mass Banking and Direct Sales from 2014 to May 2015. Appointed as Executive Vice President of Retail Banking as of May 2015 and of Retail and Private Banking as of June 2016, Kurtoğlu continues to serve as Executive Vice President of Retail, Private Banking and Small Business Banking as of January 2022. He also serves as the Board Member of QNB Asset Management, QNB Insurance, Ibttech and Mono.

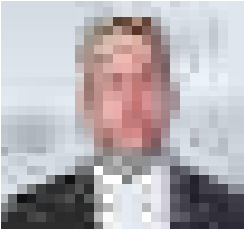


Senior Management



Ersin Emir **Head of Internal Audit**

Emir graduated from the Department of Business Administration, Middle East Technical University in 1994, and received his Master of Science degree in Organizational Psychology at the University of London in 2011. He started his banking career as Assistant Internal Auditor at İş Bankası in 1995. Joining Finansbank in 1998, he was in charge of the duties of investigations, branch and head office audits as well as various administrative responsibilities in Internal Audit Department between 1998 and 2004. Emir was appointed as Deputy Chief Audit Officer in 2004, and continues his assignment as Chief Audit Officer since 2011. At the same time, he serves as the Board member in QNB Asset Management.



İsmail Işık **Executive Vice President**

Born in 1980, Işık graduated from Istanbul University, Faculty of Business Administration (English) in 2003. He completed his executive MBA at ITU Management Engineering Faculty in 2006. He started his banking career at Internal Audit Department of Finansbank A.Ş. as an Assistant Auditor in 2003, and until 2012, he has worked as Auditor, Senior Auditor, and Division Head at this department. In 2012, he joined the Loans Department as the Division Manager responsible for SME Loan Monitoring and was appointed as Loan Monitoring, Remedial, and NPL Management Director in charge of SME, Commercial, and Corporate segments in 2017. All segments were added to his responsibility in September 2021. Işık has served as Loan Monitoring and Follow-Up Executive Vice President since January 2023.



Köksal Çoban **Executive Vice President**

He graduated from Middle East Technical University, Department of Business Administration in 1990. He completed his MBA at Cass Business School (City University) in London. He worked at the Treasury departments of Türk Eximbank and Demirbank A.Ş. between 1990 and 1997. Mr. Çoban was appointed as International Markets Manager at Finansbank A.Ş. in 1997 and served as the Head of the International Markets Group at Finansbank A.Ş. between 1998 and 2000. Assuming a number of managerial posts in the Treasury Department thereafter, he was appointed as the Executive Vice President of Treasury in August 2008. He assumed the responsibility of the International Banking Division in April 2018 and has been the Executive Vice President of the Treasury and International Banking Divisions since then. He also serves as a Board Director of QNB Asset Management.



Mehmet Kürşad Demirkol **Executive Vice President**

Graduated from Bilkent University, Department of Electrical and Electronics Engineering in 1995, Demirkol received his MSc and PhD degrees from Stanford University. He worked as an Application Engineer at Oracle between 1996 and 1997 and as a Research Assistant at Stanford University between 1997 and 1999. Between 1999 and 2003, he worked as a Senior Consultant at McKinsey & Company Atlanta and İstanbul offices. In 2004, he joined Finansbank A.Ş. and served as Group Head of the Business Development and Strategy Department and Executive Vice President in charge of IT and Card Operations at Finansbank A.Ş. Russia. Mr. Demirkol, who worked as Business Development and Marketing Director at Memorial Healthcare Group in 2005 and as the Head of the IT Technologies Department at VakıfBank in 2007, was appointed as the Bank's Executive Vice President in charge of IT in the same year. He took over the responsibilities of Operations and Alternative Distribution Channels in 2008. Mr. Demirkol joined Finansbank A.Ş. as Executive Vice President in October 2010 and has been serving as Executive Vice President in charge of Information Technologies, Operations, Channels, and Business Development since November 2011. He also serves as the Board Member of QNB Wise, QNB Insurance, Ibttech, QNB eSolutions and QNBpay.



Murat Koraş
Executive Vice President

Koraş graduated from the Industrial Engineering Department, Boğaziçi University in 1999, and completed his MBA at Özyeğin University. He has been employed as a specialist at Finansbank A.Ş. between 1999 and 2001. In 2004, he was assigned as Assistant Manager in Aviva. He took the tasks of Strategy Office Assistant Manager, Analytic Marketing Unit Manager, and Portfolio Management and Analytics Group Manager at Finansbank A.Ş. from September 2004 to 2012. Koraş took the Consumer Payment Systems Director position between 2012 and 2015. He has been working as Payment Systems Executive Vice President since May 2015. He also serves as a member of the Board of Directors of QNB Wise, Mono, and QNBpay.



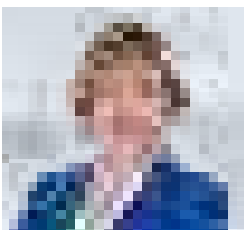
Sercan Kısas
Chief Internal Control and Compliance Officer

Kısas graduated from Hacettepe University, Business Administration Department in 2008 and completed his MBA Degree at Sakarya University in 2013. He started his career in 2008 and held various roles in Internal Audit Departments at Eurobank Tekfen A.Ş., Turklandbank A.Ş. and Zorlu Holding A.Ş. He joined QNB Group in 2017 and served in QNB Q.P.S.C. Group Compliance as Vice President till December 2023. Throughout his career, he specialized in Compliance, Internal Control and Audit, holding professional certifications and licenses such as Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), Certification in Risk Management Assurance (CRMA), International Compliance Association in Financial Crime Prevention (ICA), Capital Markets Board - Level II and Qatar Financial Markets Authority Regulations (CISI - QFMA). Sercan Kısas has been serving as the Head of Chief Control and Compliance since January 2024.



Zeynep Aydın Demirkıran
Head of Risk Management

Born in 1975, Demirkıran completed his undergraduate education at Bilkent University, Faculty of Economics and Administrative Sciences, Department of Economics, and then completed his postgraduate studies at Georgetown University, Department of Economics in Washington D.C. After having lectured at Georgetown University until December 1998, she has served as a specialist at the Risk Management Department at İşbank between 1999 and 2002. Demirkıran joined Finansbank A.Ş. in 2002 and served as Market Risk Manager, Senior Risk Manager and Basel II Program Coordinator between 2002-2011. He has been serving as the Head of Risk Management since September 2011. Demirkıran also serves as a Board Member at QNB Invest and QNB Asset Leasing.



Zeynep Kulalar
Executive Vice President

Kulalar was born in 1971, received her bachelor's degree from the Faculty of Economics and Administrative Sciences Department of Business Administration, Middle East Technical University in 1994. She served as Portfolio Assistant Manager at Yapı Kredi Bank from September 1994 to December 2002, and as Corporate Portfolio Assistant Manager at MNG Bank from January 2003 to July 2005. Kulalar joined Finansbank as Corporate Marketing Team Assistant Manager in July 2005, whereby she acted as Key Customer Vice President, Corporate Banking Sales and Marketing Vice President, Foreign Trade and Portfolio Management Division Manager, Corporate Banking Portfolio Management Division Manager, Performance and Foreign Trade and Portfolio Management Senior Vice President at the bank, respectively. She was appointed as Corporate Banking Director in June 2016 and has been acting as Executive Vice President since December 2019. She undertook the function of Corporate and Commercial Project and Restructured Financing as of January 2022 and continues to work as Executive Vice President of Corporate Banking and Project Financing. She also serves as the member of the Board of Directors of QNB Invest.



Awards and Achievements

QNB Türkiye's achievements were crowned with new awards in 2024.

Awards received by the Bank:

With the Digital Bridge Platform

- "European Regional Winner" in the Business Change and Transformation category in the Customer Centricity World Series (CCWA) award program
- "Türkiye's Best Bank for SMEs" award within the scope of the Euromoney Awards for Excellence 2024 program
- "Best Integrated Corporate Banking Platform in Western Europe and Türkiye" awards at the Global Finance Magazine award program
- Bronze Stevie award in the "Sustainability Service of the Year" category at the Stevie International Business Awards 2024
- Gold award in the "Community Oriented" category and silver award in the "Creative Campaigns for Me" category in the MENA Region with the Saraylı Mefruşat project at the TikTok Ad Awards program

With QNB Mobile

- "Most User-Friendly Mobile Banking Solutions" award at the International Finance Awards for its remote customer acquisition process
- "Best User Experience (UX) Design" award by Global Finance Magazine

With QNB Credit Card

- Gold Stevie award in the "Collaboration Solution" category at the 2024 International Stevie Sales and Customer Service Awards for QNB Trendyol Card, a co-branded credit card offered to customers in collaboration with Trendyol

With the Profitable Customer of the Month Program

- Silver award in the "Innovative Achievement in Customer Satisfaction" category at the Stevie MENA Awards
- Bronze award in the "Innovation in Customer Service Award" category at the Stevie Awards 2024
- The "Best Customer Loyalty Program" award at the International Finance Awards
- The "Best Publicity and Marketing Program" award at the Mastercard Payment System Magazine (PSM) Awards 2024

With the Open Banking Project

- Silver award in the "Innovative Use of Technology in Customer Services" category at the Stevie MENA Awards

With Digital Intelligence Q

- At the Stevie Awards 2024,
 - Silver award in the "Use of Data and Analytics in Customer" Success category.
 - Silver award in the "Best Use of Customer Insight" category
 - Silver award in the "Best Use of Technology in Customer Services" category

At the Stevie MENA Awards,

- Gold award in the "Innovative Use of Technology in Customer Service" category
- Silver award in the "Innovative Achievement in Customer Satisfaction" category

At the AI (Artificial Intelligence) World Series Awards,

- Winner and Overall Winner in the "Best AI Enabled Chatbot" category at the Artificial Intelligence World Series award program

At the TCXA (Türkiye Customer Experience Awards) 2024,

- Bronze award in the 'Best Innovation in Customer Experience' category

With Enpara.com

- Gold award in the "Online Banking" category at the Brandverse Awards, an important award in the area of marketing and communication
- 5 different and prestigious awards with the "Pet Food Transfer" (Mama Transferi) Social Responsibility Project launched in 2024

These include;

- Bronze award in the "Communication and Public Relations" category at the Stevie Awards
- Silver award in the "Social Responsibility" category at the Crystal Apple Awards
- Felis award in the "Social Responsibility and Sustainability/Protecting Animal Rights" category at MediaCat Felis Awards
- Golden Sardis award in the "Innovation/Banks" category at the Sardis Awards
- Gold award in the "Brand Purpose/Activism" category and Silver award in the "Small Budget, Big Impact" category at the SMARTIES™ AWARDS Türkiye 2024 Awards



With QNB Private Banking

- “Sustainable Wealth and Private Banking Customer Experience” award at WealthBriefing Sustainable Wealth Awards
- Outstanding Private Bank award in the field of “Diversity, Equality and Inclusion” at the Private Banking, Wealth Management Conference and Awards

With QNB Customer Experience Office

- 6. Good Idea Award for the “Voice of the Customer” project at the 6th Customer Experience Türkiye Awards (CX AWARDS TÜRKİYE)

QNB Human Resources Talent Management Flexible Innovation Program

- First prize in the “Creating Value in the Business Life of the Future” category of PERYÖN Human Value Awards
- Gold award in the “Career and Workforce Readiness Solution,” “Success of the Year in Talent Management,” “Most Effective Internal Promotion and Growth Strategy,” “Success in Business Growth” categories at the Globee Business Awards
- Gold award in the “Human Resources Team of the Year” category and Silver award in the “Achievement in Human Resources” category at the Stevie International Business Awards (IBA)
- Bronze award in the “Success in Flexible and Hybrid Working Models” and the “Most Innovative Talent Management Program” categories at the Stevie Award for Great Employers (SAGE) program

With QNB Human Resources Employer Brand Management

- First prize in the Banking Sector in Türkiye’s Most Popular Companies List,
- Gold award in the “Most Inspiring Human Resources Leader for Young People” category and Bronze award in the “Most Desirable Finance Company to Work For” category at the Youth Awards 2024
- CHRO of the year award in the TOP CHRO Awards list

With International Banking

- Global Banking & Markets CEE, CIS & Türkiye - Foreign Trade Finance of the Year Award
- Global Finance - The World’s Best Trade Finance Providers 2025 - Turkey
- Global Banking & Markets CEE, CIS & Türkiye - Trade Finance Loan House of the Year

With its first Integrated Annual Reporting

- Gold award worldwide for the 2023 Annual Report at the League of American Communications Professionals (LACP) Vision Awards, as well as awards in the “Best 20 Reports in Türkiye,” “Best 50 Reports in the EMEA Region,” “Technical Achievement” categories, and a Bronze award in the “Best Report Cover in the EMEA Region” category.

Awards Received by QNB Investment

- “Türkiye’s Best Investment Bank” award at the World Finance Banking Awards 2024
- Within the scope of the “9th TSPB Golden Bull Awards” organized by the Capital Markets Association of Türkiye, Foreign Investor Custody Balance Leader for 2023

Awards Received by QNB eSolutions

- Silver award in the “Banking/Finance” category at the Horizon Interactive Awards 2024 for the renewed QNB eSolutions website
- “Europe’s Best e-Invoice Solution Provider” award in 2024 by CIO Applications Europe
- 2024 Golden Spider Awards Best Website Finance&Fintech category Third Place and People’s Favorite awards

Awards Received by QNB Insurance

- Gold award in the “Insurance” category and Silver award in the “Most Improved Regional Report” category for the 2023 Annual Report at the League of American Communication Professionals (LACP) Vision Awards
- Bronze Award for 2023 Annual Report at the ARC Awards
- Silver for People-Oriented CEO of the Year, Gold for Employee Relations Professional of the Year, Silver for Internal Communication Professional of the Year, and Bronze for Rising HR Star of the Year in the “Greatest Employers of the Year” category at the 2024 Stevie Awards
- Silver award for the Internal Trainer Project at TEGEP 2024 Learning and Development Awards
- Burak Bayhan, Marketing Deputy General Manager, was included in the “50 Most Successful Digital CMOs” list prepared by Fast Company Magazine.
- Pinar Kuriş, CEO, was included in the “Türkiye’s 50 Most Powerful Women CEOs” list prepared by the Economist Magazine for the 6th time.
- The “Best Insurance Company of the Year Award” at Hacettepe University Crystal Deer Awards
- Bronze award for the “Live Today for Today” Advertising Campaign at Effie Awards
- Silver award for TM Single Screen Project in the “Best Technical Support Strategy and Implementation” category at the Stevie International Business Awards
- The “Innovative Insurance Brand of the Year” award at the Türkiye Innovation and Achievement Awards
- The “Creative Thinking Special” award with QNBilir at the Customer Experience Awards Türkiye (CX Awards Türkiye)
- At the WSpark’23 Survey, the “Sparks that Make a Difference” award was presented to Selin Ay, Health Product and Pricing Manager, Demet Avcı Özdemir, Customer Analytics and CRM Manager, and Gözde Demirkıran, Customer Analytics and Customer Experience Deputy Manager



Our Journey of Sustainable Success

Our journey of sustainable success, started in 1987, sheds light to our future.

1987

Finansbank A.Ş. was established.

1988

Finansbank A.Ş. joined Commercial Union's insurance subsidiary in Türkiye as a founding partner.

1990

Shares of Finansbank A.Ş. started to be traded on the Istanbul Stock Exchange.

Finans Finansal Kiralama A.Ş. was established and entered the financial leasing market.

1993

Shares of Finans Finansal Kiralama A.Ş. started to be traded on the Istanbul Stock Exchange.

1995

Fiba Faktoring A.Ş. was established and entered the factoring market.

1999

Finansbank was among the 5 selected pilot banks in the world and became the first bank to implement the Reuters Mail system worldwide.

2000

Investment banking operations of Finansbank A.Ş. were transferred to the newly established Finans Yatırım A.Ş.

Finansbank Call Center was established, and the Internet Branch was launched.

2003

With the decision to enter the retail banking market, 150 branches were opened between 1995 and 2003.

2004

The Bank was relocated to its Headquarters building in Esentepe, Istanbul.

2005

IBTech was established in Tübitak Marmara Research Center Technology Free Zone.

2007

CardFinans was selected as Türkiye's superbrand by Superbrands in the credit cards category in 2007.

The number of ATMs reached 1,000.

2008

Finansbank Erzurum Operations Center was established.

With the acquisition of Fiba Holding's shares, NBG Group became the owner of 94.8% of Finansbank's shares.

2009

For the first time in the world, customers were offered the opportunity to pay in installments for their purchases with CardFinans Nakit debit card.

2010

Finansbank Mobile Branch was established.

FixCard was launched as the first credit card with standard credit card features and no card fees.

With a study carried out with the guarantee of the European Investment Fund (EIF), SME customers were able to overcome the problem of providing collateral to a great extent for the first time in Türkiye.

CardFinans Vadekart, which is a first in the sector and reduces the use of cheques and promissory notes by business owners, was launched.

2012

A Call Center was established in Erzurum.

Cigna, one of America's largest health and life insurance companies, purchased 51% of Finans Emeklilik.

A 15-year agency agreement was concluded with Sompo Japan Sigorta, one of the world's largest insurance companies.

For the first time in Türkiye, debit and credit card functions were combined in FixCard.

Enpara.com, Türkiye's first digital banking platform, was established.



2013

QNB eFinans was established.

2014

The highest amount of syndicated loans in the Bank's history were obtained from abroad.

2015

A child-focused social responsibility platform named Small Hands Big Dreams (Minik Eller Büyük Hayaller) was established.

2016

With Qatar National Bank's (Q.P.S.C.) acquisition of the majority stake in the Finansbank, the Bank joined QNB Group, and its trade name changed to QNB Finansbank.

2017

As a first in the sector, the Bank was a case study at Harvard University for the fourth time (in 1994, 2006, 2015, and 2017) since its establishment.

2018

QNB Finansbank and Turkish Airlines concluded a 5-year cooperation agreement to issue Miles&Smiles credit cards to Turkish Airlines members within the scope of the Turkish Airlines Passenger Program.

IBTech's second technopark branch Dokuz Eylül University Technopark was opened in DEPARK Tinaztepe Campus in Izmir.

IBTech received a certificate from the Ministry of Industry and Technology to establish an R&D Center and the Crystal Tower R&D Center Branch was opened.

Fincube Business Incubator and Accelerator Program was launched.

2019

QNB Finansbank became the first and only institution in the Turkish banking industry to provide a 3-year syndicated loan with the syndication agreement concluded in December 2019.

For the Digital transformation of firms, QNB Finansbank launched the Digital Bridge project.

Fincube turned into a global brand and started to continue its activities under the name QNB BEYOND.

2020

QNB BEYOND Ventures was established.

It was selected as the Best Bank in SME banking in Central and Eastern Europe by Euromoney.

QNB Finansbank concluded the "CEO Declaration for Renewed Global Cooperation" prepared to commemorate the 75th anniversary of the United Nations.

2021

The new QNB Mobile, supported by Digital Intelligence Q, became available to users.

2022

QNB Finansbank received the Best SME Bank of Türkiye award within the scope of the SME banking award program organized every year by Global Finance Magazine.

2023

IPOs of Söke Flour (Söke Un) and CW Energy, introducing these important brands in the renewable energy and food sectors to the capital markets.

With the share purchase agreement concluded between QNB Finansbank and Cigna Nederland Gamma B.V., "Cigna Sağlık Hayat ve Emeklilik Anonim Şirketi" was renamed as "QNB Sağlık Hayat Sigorta ve Emeklilik Anonim Şirketi."

Process was initiated for Enpara to resume its operations under a separate legal entity through a partial spin-off.

2024

In line with the decision to continue Enpara banking services under an independent and separate entity, Enpara Bank A.Ş., the new bank established to take over the operations following the partial spin-off, obtained operating permit and started its operations.

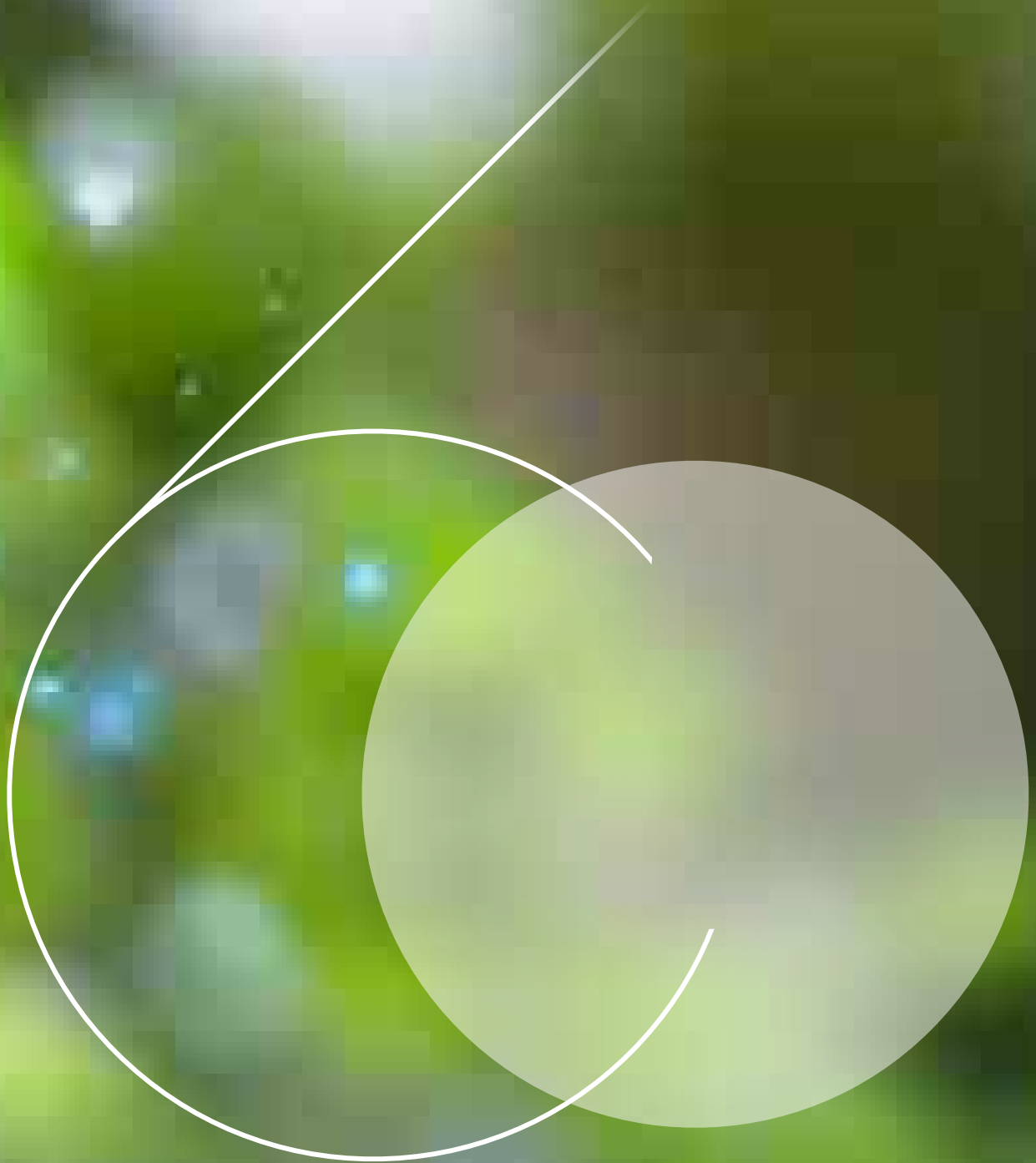
QNB Finansbank started to continue its operations as QNB Bank A.Ş. as of 11 October 2024.



Developments in 2024

Türkiye's macroeconomic rebalancing process continued in 2024, driven by tight monetary policy and macroprudential measures.







Macroeconomic Developments

With the support of tight monetary policies implemented by central banks in the global economy, inflation rates declined to the targeted levels in 2024.

With the support of tight monetary policies implemented by central banks in the global economy, inflation rates declined to the targeted levels in 2024. With the decline in inflation and the slowdown in growth and employment, the US and Eurozone central banks (Fed and ECB) started cutting interest rates in 2024. In the Chinese economy, monetary and fiscal incentives were increased in order to achieve growth goals in 2024. In case the disinflation process proceed in line with the goals, the easing in monetary policies is expected to continue gradually in 2025. However, following the victory of Donald Trump in the US presidential elections, the US fiscal policy is expected to be more expansionary in the upcoming period.

The International Monetary Fund (IMF) predicted in its October 2024 World Economic Outlook Report that the global economy, which grew by 3.3% in 2023, would grow by 3.2% in 2024 and 2025. While the US economy sustained its strong growth performance despite tight monetary policy and election-related uncertainties, economic growth in the Euro Area proceeded at a slower pace. Increased volatility in commodity prices due to geopolitical tensions, the projected rise in customs duties, and developments that keep inflation risks pronounced contribute to uncertainties in the global economy.

The IMF forecasts that the global economy will grow by 3.2% in 2024 and 2025.





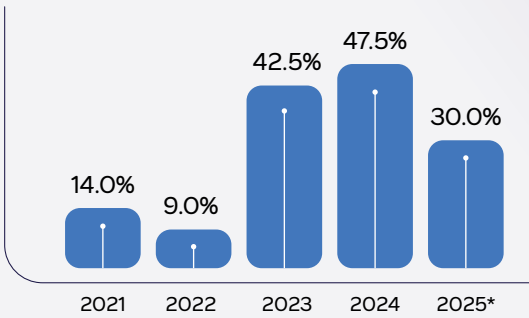
Economic Developments in Türkiye

In 2024, while domestic and foreign investors' confidence in Turkish lira-denominated assets increased, the country's risk premium decreased and credit rating agencies increased Türkiye's credit rating.

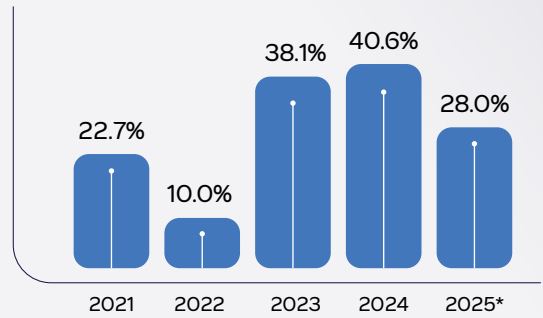
In 2024, the Turkish economy continued its macroeconomic rebalancing process due to tight monetary policy and macroprudential measures. While domestic and foreign investors' confidence in Turkish lira-denominated assets increased, the country risk premium decreased and credit rating agencies increased Türkiye's credit rating. The Central Bank's foreign exchange reserves were bolstered by the contraction in the current account deficit, the return of domestic savings to the Turkish lira, and increased capital inflows from abroad. Inflation was declined significantly since the second half of the year due to the base effect, and the tight monetary policy stance was maintained to support this trend.

In the gradual monetary tightening process that started in June 2023, the Central Bank of the Republic of Türkiye (CBRT) raised the policy interest rate from 8.5% to 50% in March 2024. In addition to the tight monetary policy, loan growth restrictions imposed on loans also maintain loan expansion at moderate levels. With the improvement in the inflation outlook, the CBRT started the interest rate reduction process by reducing the policy rate, which it had kept constant in its last eight meetings, by 250 basis points in December 2024. CBRT is expected to continue cutting interest rates in line with the decline in the inflation trend and the improvement in expectations. However, the CBRT emphasizes that, during this process, the policy rate will be set to ensure the tightness required by the targeted disinflation path.

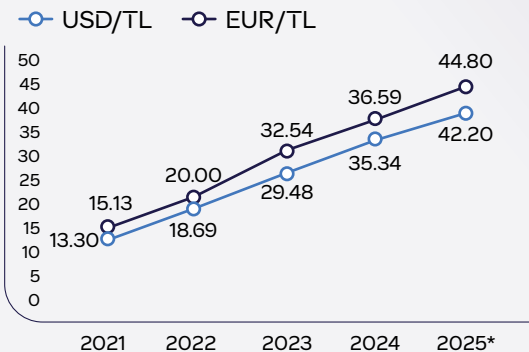
CBRT Policy Rate (Year-End)



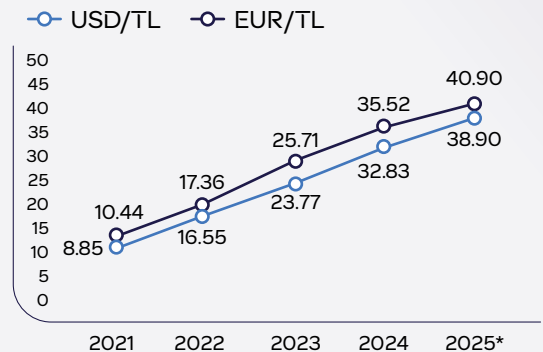
2Y Bond Rate (Year-End)



Exchange Rates (Year-End)



Exchange Rates (Average)



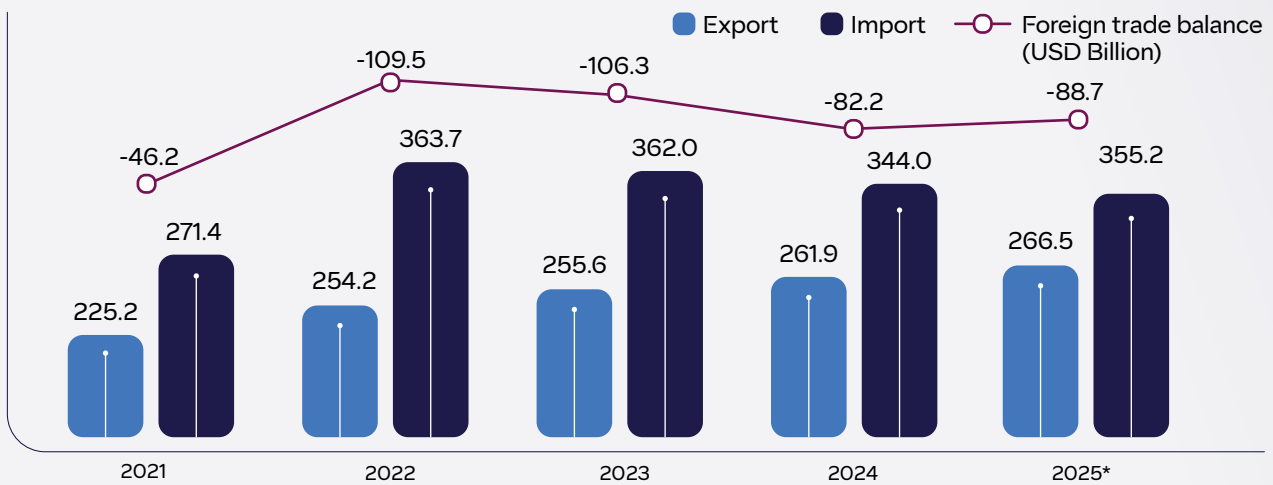
* The 2025 data is QNB Türkiye's forecast.



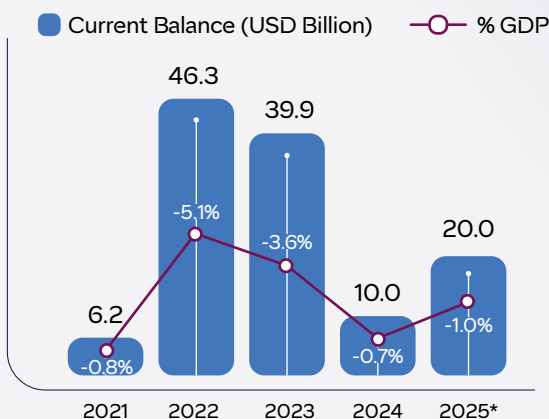
During the balancing process, the current account deficit, which stood at USD 39.9 billion in 2023, reduced to USD 10 billion in 2024. Although volatility in energy prices, the economic slowdown in Türkiye's export markets, and the real appreciation of the Turkish lira pose risks to the current account balance, restrictive macroeconomic policies are expected to continue to support the current account balance.

In 2024, the Central Bank's foreign exchange reserves were bolstered by the contraction in the current account deficit, the return of domestic savings to the Turkish lira, and increased capital inflows from abroad. While domestic and foreign investors' confidence in Turkish lira-denominated assets increased, the country risk premium decreased and credit rating agencies increased Türkiye's credit rating.

Foreign Trade Balance (USD Billion)



External Balance



In 2024, the Central Bank's foreign exchange reserves were bolstered by the contraction in the current account deficit, the return of domestic savings to the Turkish lira, and increased capital inflows from abroad.

*The 2025 data is QNB Türkiye's forecast.



Economic Developments in Türkiye

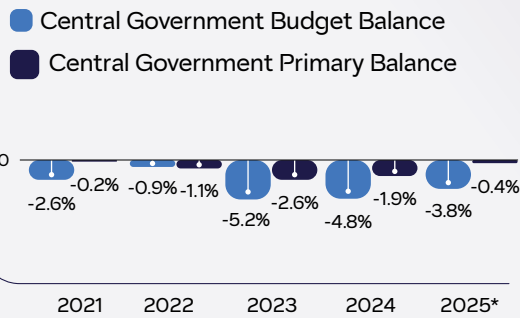
Consumer price index (CPI) inflation fell to 44.4% at the end of 2024 after peaking at 75.4% in May 2024.



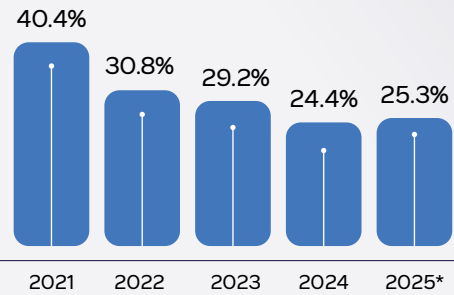
Inflation has fallen significantly since the second half of the year due to the base effect. Consumer price index (CPI) inflation fell to 44.4% at the end of 2024 after

peaking at 75.4% in May 2024. CBRT forecasts that inflation will fall to 24% by the end of 2025 in its 2025-Q1 Inflation Report.

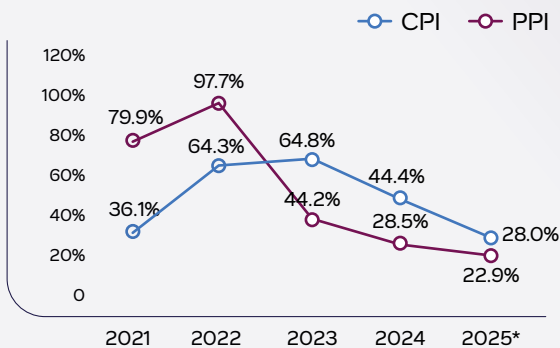
Fiscal Policy (GDP)



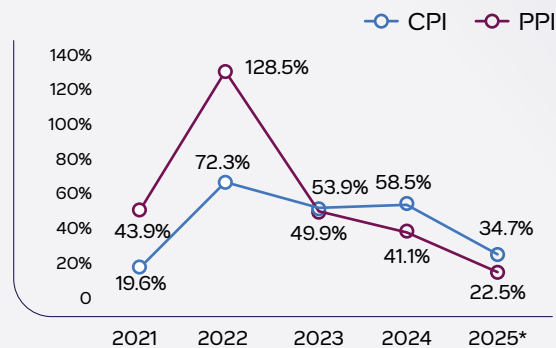
EU-defined public debt



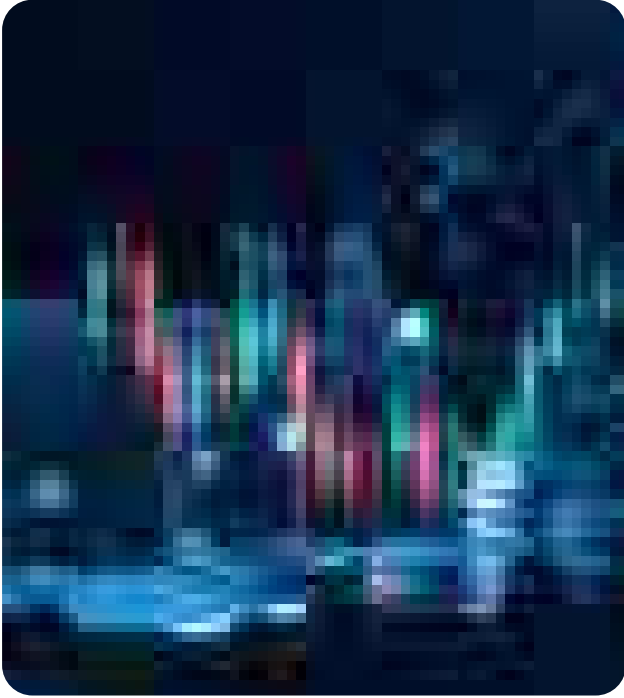
Inflation (Year-End)



Inflation (Average)



* The 2025 data is QNB Türkiye's forecast.



On the economic activity side, after recording a strong GDP growth of 5.1% in 2023, GDP growth was more moderate in 2024 due to tighter financial conditions. In the third quarter of 2024, GDP grew by 2.1% year-on-year, while growth in the first three quarters was 3.2% in total. The Medium Term Program (MTP) forecasts moderate GDP growth rates of 3.5% and 4.0% for 2024 and 2025, respectively. The CBRT's tight monetary policy stance, combined with the anticipated tightening of fiscal policies, may result in GDP growth falling short of MTP forecasts in the short term. However, Türkiye's growth potential remains strong in the medium and long term.

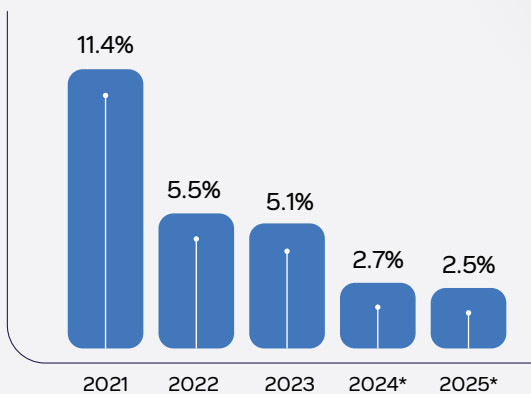
Sectoral Developments

The tight monetary policy stance maintained throughout 2024 and supported by macro prudential measures affected the performance of the banking sector, and the sector continued to support economic activity in this operational environment. TL (Turkish Lira) loan volume, including loans extended to the financial sector, increased by 29.2% year-on-year to TL 9,423 billion as of 27 December 2024. The FX (Foreign Exchange) loan volume, expressed in USD terms, increased by 28.3% year-on-year, reaching USD 156 billion during the same period. Thus, total loan volume expanded by 36.9% year-on-year to TL 14,872 billion as of 27 December 2024. Based on exchange rate-adjusted figures, total loan volume expanded by 28.9% during this period.

According to the Weekly Bulletin published by the Banking Regulation and Supervision Agency, as of 27 December 2024, TL deposits including deposits in banks increased by 42.5% compared to the same period of 2023, reaching TL 11,836 billion. The FX deposit volume, expressed in USD terms, decreased by 8.8% year-on-year to USD 175 billion in this period. Consequently, as of 27 December, 2024, total deposit volume increased by 28.8% compared to the same period in 2023 to TL 17,927 billion. Adjusted for exchange rate effects, the annual increase in total deposit volume was 21.8%.

Macroeconomic Growth (Proportional)

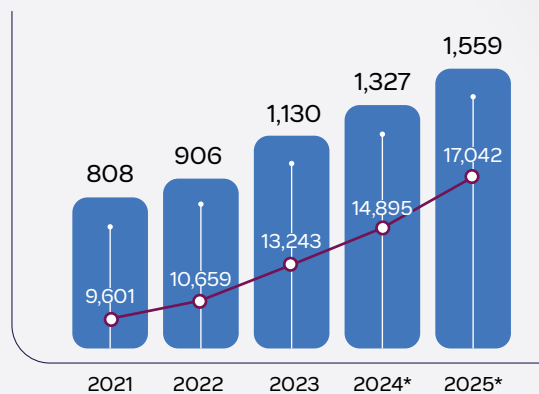
■ GDP Growth



Macroeconomic Growth (Per Capita)

■ Nominal GDP, USD billion

—○— GDP per capita (USD)



* The 2024 and 2025 data is QNB Türkiye's forecast.



Non-Financial Developments Impacting Our Sector

Regulations aiming to measure the contribution of banks to climate-related goals within the scope of the compliance process with the European Green Deal are accelerating the transformation of the sector.

Climate Emergency

According to the World Meteorological Organization's "2024 Climate Status Update" report¹, the past year is on track to become the hottest year on record, with the global average surface air temperature during the January-September period rising 1.54°C above preindustrial levels. While Antarctic and Arctic sea ice levels remain well below historical averages, the oceans are reported to absorb about 3.1 million TWh of heat, equivalent to 18 times the world's total energy consumption. These developments show that global temperature rise continues to have an accelerating impact on critical climate indicators such as sea level rise, ice loss, and ocean warming.

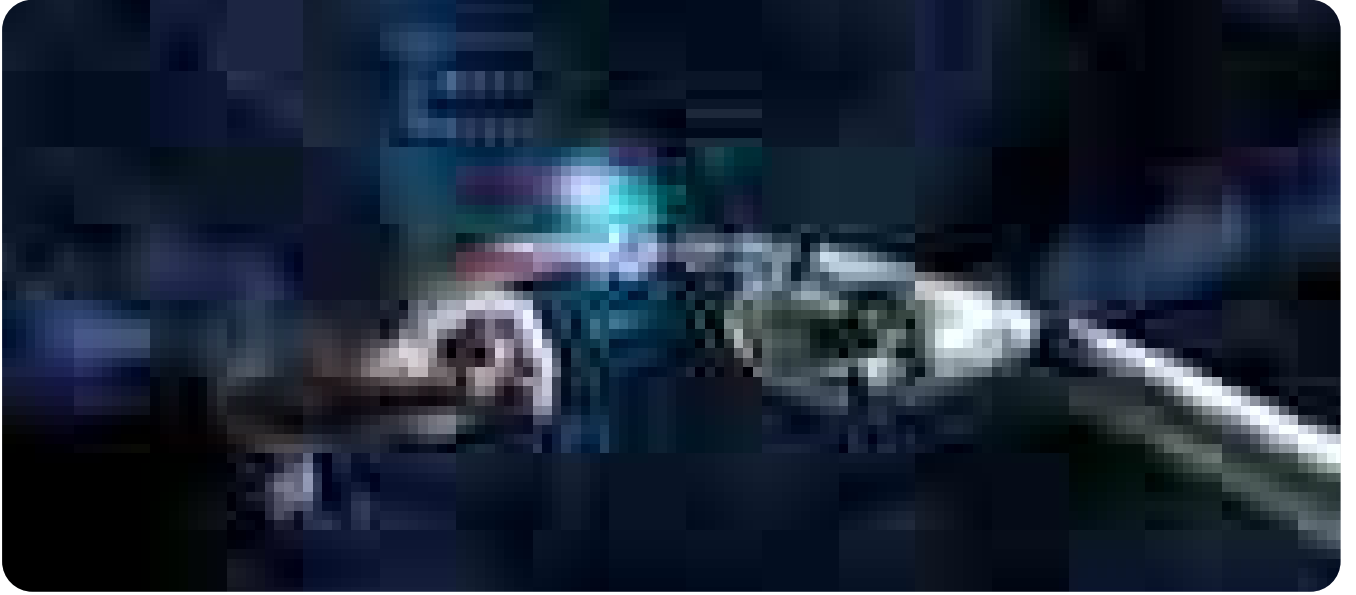
Climate finance was the focus of the 29th United Nations Conference of the Parties on Climate Change (COP29) held in Baku, the capital of Azerbaijan, between November 11-22, 2024. Developed countries have committed to providing USD 300 billion in annual financing by 2035 to support developing countries in combating and adapting to climate change. This funding is planned to be received from public and private sources and support developing countries' transition to low-carbon economies. It also paved the way for a global carbon market to operate under UN supervision, which would allow countries and companies to trade.

Within the scope of COP29, Türkiye published its 2053 Long-Term Climate Change Strategy document and presented its roadmap in the areas of energy transformation and sustainable development in line with the net zero goals. This document states that emission reductions will start by 2038, while it envisages that 69% of energy demand will be met from renewable energy sources by 2053. Türkiye's goal of strengthening global collaboration in renewable energy and quadrupling its installed capacity in solar and wind energy offers significant leadership potential for climate diplomacy in the Mediterranean region.

Climate change and sustainability issues remain one of the most important agenda items of the banking sector. Banks develop sustainable financial structures to manage environmental and social risks and cooperate with regulatory authorities in this area. In particular, regulations aiming to measure the contribution of banks to climate-related goals within the scope of the compliance process with the European Green Deal are accelerating the transformation of the sector.

Please refer to the **Sustainable Banking for the Future** section for details on QNB Türkiye's activities in this area, which support transformation economy for climate action.





Digital Transformation

Digitalization continues to be among the most important trends shaping the future of the banking sector. Deloitte's Digital Banking Maturity Report 2024² also demonstrates that digitalization in the banking sector has reached a new level. According to the report, digitalization strategies have not only transformed the customer experience, but also improved banks' operational efficiency, leading to revenue growth and cost reductions. The report states that leading banks worldwide generate more than 30% of their revenues from digital channels.

As is the case worldwide, digital banking in Türkiye continues to evolve rapidly. As demand for services offered through digital channels increased, the number of active digital banking customers exceeded 117 million as of September 2024³.

You can find the details of the practices inspiring the sector of QNB Türkiye, among the pioneers of digital banking in Türkiye, in the **Operational Transformation** section.

Artificial Intelligence

The year 2024 was marked by the deepened integration of artificial intelligence across a wide range of areas, from everyday life to financial services. In particular, OpenAI's "GPTs" product has enabled users to develop GenAI-powered chatbots and applications with low-code or no-code interfaces.

The banking sector continues to make great strides in artificial intelligence integration. Artificial intelligence has begun to be effectively utilized in areas ranging from customer service and fraud detection to credit risk analysis and personalized product recommendations. In Türkiye, sector players increase customer satisfaction and operational efficiency by providing 24/7 service to their customers through AI-supported chatbots and virtual assistants.

QNB Türkiye integrates artificial intelligence into all of its processes and supports efficient and responsible artificial intelligence applications. Please refer to the **Operational Transformation** section to learn about QNB Türkiye's efforts in this field.

Artificial intelligence has begun to be effectively utilized in areas ranging from customer service and fraud detection to credit risk analysis and personalized product recommendations.

¹ <https://wmo.int/publication-series/state-of-climate-2024-update-cop29>

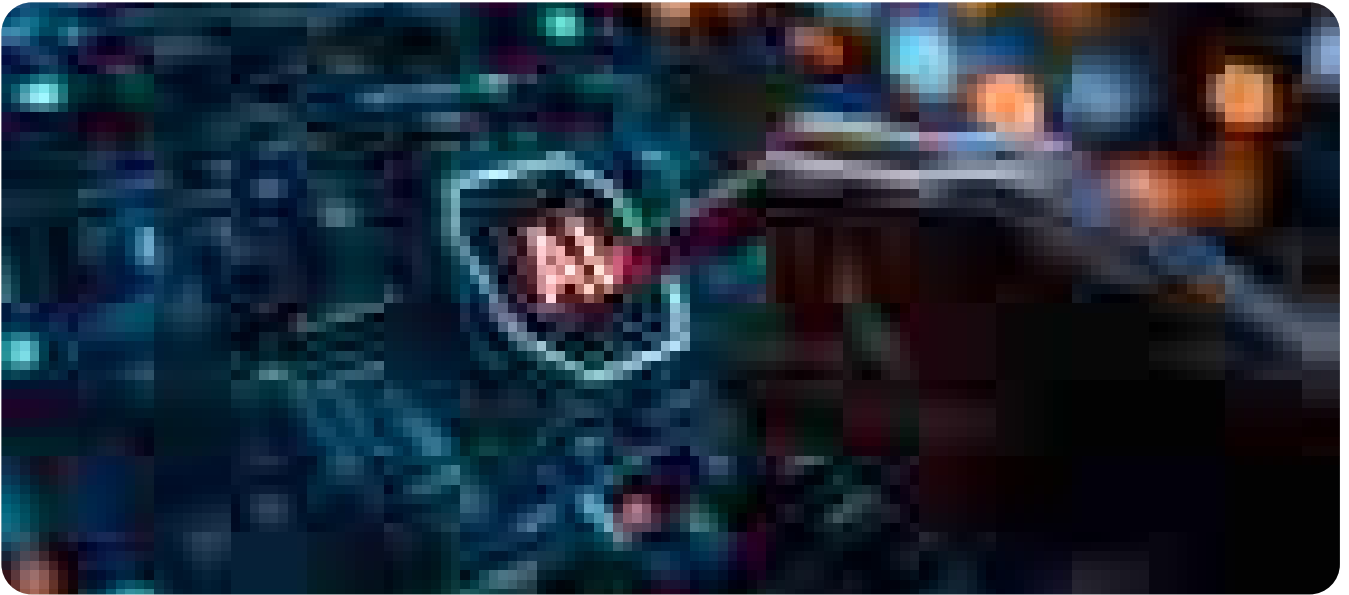
² <https://www.deloitte.com/ce/en/industries/financial-services/research/digital-banking-maturity-2024.html>

³ https://www.tbb.org.tr/Content/Upload/istatistikraporlar/ekler/4491/Dijital-Internet-Mobil_Bankacilik_Istatistikleri-Eylul_2024.pdf



Non-Financial Developments Impacting Our Sector

The management of cyber risks has emerged as a priority area to ensure financial stability and prevent greater threats in the future.



Cyber Security

The IMF's April 2024 Global Financial Stability Report⁴ highlights that the financial sector faces ever-increasing cyber threats. The report notes that cyber attacks have doubled compared to the pre-pandemic period, with the financial sector accounting for approximately 20% of all cyber incidents. It is reported that while cyber-attacks usually result in small-scale losses (USD 0.5 million on average), direct losses caused by serious incidents that may be experienced by large financial institutions could be USD 2.5 billion or more. The potential for such incidents to spread to other institutions through a domino effect, driven by loss of trust, service interruptions, and technological interconnectedness within the sector, poses significant risks to financial stability.

The management of cyber risks has emerged as a priority area to ensure financial stability and prevent greater threats in the future. QNB Türkiye follows the developments in cyber security closely and utilizes the latest technologies. Please refer to the **Responsible Transformation** section to learn about the Bank's efforts in this field.

Cyber attacks have doubled compared to the pre-pandemic period, with the financial sector accounting for approximately 20% of all cyber incidents.

⁴<https://www.imf.org/en/Publications/GFSR/Issues/2024/04/16/global-financial-stability-report-april-2024>



Geopolitical Risks

The World Economic Forum's Global Risks Report 2024⁵ highlights the profound impact of geopolitical tensions on the global economy and stability. International conflicts, such as the Russian-Ukrainian war and Israeli-Palestinian clashes, contribute to global uncertainties by causing fluctuations in energy prices and disruptions in supply chains. In an era where technological advancements are reshaping the dynamics of conflict and security, the uncontrolled use of innovations such as AI-supported decision-making systems has the potential to exacerbate geopolitical tensions. In this atmosphere, interstate conflicts have emerged as a top-tier risk, while a multi-polar balance of power bears the risk of weakening the mechanisms of international governance.

The report emphasizes that in the upcoming decade, power struggles in strategic sectors such as energy and technology could reshape economic interdependencies and regional collaboration. Nevertheless, the significance of efforts to cooperate at the national and international levels is growing, and such initiatives can play a decisive role in mitigating global risks. In particular, local regulations, cross-border collaboration, and the effective use of innovative technologies are believed to contribute to managing these risks.

QNB Türkiye follows global developments closely with its global know-how and competent risk management staff and manages geopolitical risks as a part of the risk management system. For the Bank's activities in the field of risk management, please visit the section titled the **Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period.**

In an era where technological advancements are reshaping the dynamics of conflict and security, the uncontrolled use of innovations such as AI-supported decision-making systems has the potential to exacerbate geopolitical tensions.

⁵ https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf



Assessments for the Year 2024

QNB Türkiye increased its net loan portfolio to TL 870 billion 388 million in 2024.

QNB Türkiye continued to support the Turkish economy throughout the year 2024. Aiming to expand its customer base by focusing on banking activities, the Bank increased its net loan portfolio to TL 870 billion 388 million. As of 31 December 2024, the Bank operates with 425 domestic branches (31 December 2023 - 434), 1 foreign branch (31 December 2023 - 1) and 1 branch in Atatürk Airport Free Zone (31 December 2023 - 1).

Assets

Continuing its customer-oriented activities in 2024, the Bank maintained its balanced growth in corporate and retail loans. As of 31 December 2024, net loans increased by 52% year-on-year to TL 870 billion 388 million, while total assets increased by 53% to TL 1 trillion 511 billion 870 million in the same period. In 2024, the Bank also increased the securities portfolio by 64%, strengthening its net interest income and assets growth, while further reinforcing its already robust liquidity buffers.

Liabilities

In line with this growth in assets, QNB Türkiye sustained its deposits' growth in a balanced manner. Total customer deposits of the Bank rose by 36% compared to the year-end of 2023, reaching TL 822 billion 653 million, as shareholders' equity increased by 46% to TL 119 billion 1 million.

Profitability

In 2024, the Bank's net interest income reached to TL 30 billion 299 million, while net fees and commissions income realized at TL 49 billion 642 million. Profit before tax amounted to TL 44 billion 313 million, and net profit for the period was TL 36 billion 174 million.

Solvency

Thanks to its strong capital base and high ROE, QNB Türkiye maintained its firm financial structure. The Bank has utilized its capital efficiently for its banking activities and has maintained its profitability of shareholders' equity. When taking its funding structure into consideration, QNB Türkiye has also funded its loans by using long-term external sources besides its large deposit base. The Bank has utilized cost advantage due to benefiting from such various funding sources and at the same time minimized risks due to maturity mismatch of its assets and liabilities.





Key Financial Indicators

In 2024, net profit for the period increased to TL 36,174 million.

Summary Financial Information

(TL million, unconsolidated)	2020 ^(*)	2021	2022	2023	2024
Net Loans	138,719	200,832	344,957	571,044	870,388
Deposits	130,560	226,923	394,284	632,050	880,223
Shareholders' Equity	19,212	22,144	44,266	81,618	119,001
Total Assets	227,243	371,369	601,755	987,817	1,511,870
Net Interest Income ^(**)	6,684	7,669	32,665	30,072	30,299
Net Fees and Commission Income	2,363	3,391	6,128	18,317	49,642
Net Profit	2,747	3,928	17,224	33,172	36,174
Return on Equity (%)	15.8	19.0	53.1	57.5	36.2
Capital Adequacy Ratio (%)	16.4	15.9	15.1	16.7	17.3

(TL million, consolidated)	2020	2021	2022	2023	2024
Net Loans ^(***)	146,449	212,565	363,105	602,746	911,200
Deposits	130,275	225,877	392,763	630,728	878,435
Shareholders' Equity	19,241	22,152	44,276	81,634	119,031
Total Assets	235,020	383,849	621,144	1,023,422	1,555,093
Net Interest Income ^(**)	7,177	8,135	33,848	33,848	38,111
Net Fees and Commission Income	2,601	3,682	6,689	20,306	53,706
Net Profit	2,755	3,908	17,226	33,178	36,182
Return on Equity (%)	15.8	18.9	53.0	57.5	36.2
Capital Adequacy Ratio (%)	15.8	15.2	14.3	15.9	16.7

^(*) After swap expenses - IAS-27 equity method consolidation has been implemented as of 2021, and 2020 figures have been restated retrospectively.

^(**) After swap expenses

^(***) Includes leasing and factoring receivables



Credit Ratings

QNB Türkiye is rated by international credit rating agencies such as Moody's and Fitch.

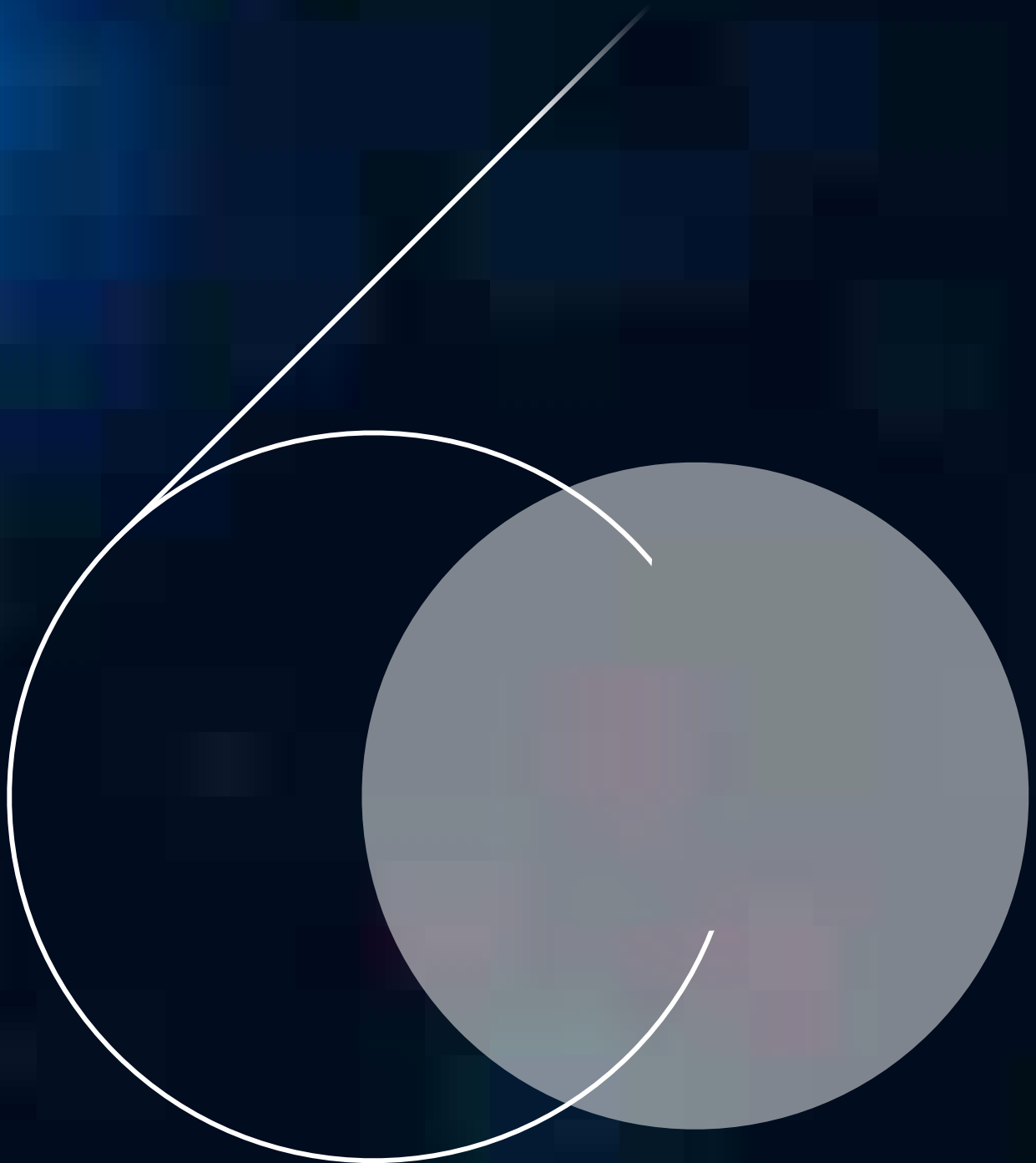
Moody's Investor Service	
Rating Outlook	Positive
Long-Term / Short-Term FC Deposits Rating	Ba3/ NP
Long-Term / Short-Term LC Deposits Rating	Ba2/ NP
Baseline Credit Assessment	b2
Adjusted Baseline Credit Assessment	ba2
Long-Term / Short-Term FC Counterparty Risk Rating	Ba3/ NP
Long-Term / Short-Term LC Counterparty Risk Rating	Ba2/ NP
FC Senior Unsecured	Ba3
Subordinated	B1(hyb)

Fitch Ratings	
Long-Term / Short-Term FC Issuer Default Rating (IDR)	BB- (Outlook: Stable) / B
Long-Term / Short-Term LC Issuer Default Rating (IDR)	BB- (Outlook: Stable) / B
Long-Term National Rating	AA(tur) (Outlook: Stable)
Viability Rating	b+
Shareholder Support Rating	bb-
Long-Term / Short Term Senior Unsecured	BB- (Outlook: Stable) / B
Long-Term Subordinated	B+



QNB Türkiye in 2024

In 2024, QNB Türkiye adapted to rapidly changing economic policies and regulations and developed innovative solutions in line with sectoral and customer needs.





Corporate Banking and Project Financing

As QNB Türkiye advances on its digital transformation journey without slowing down, the Corporate Banking business line continues to invest in digitalization with a customer-oriented and innovative approach.

QNB Türkiye Corporate Banking maintained its strong performance in 2024 with the innovative and sustainable financial solutions it offers to its customers. Serving multinational companies with an annual turnover of over TL 4 billion through three corporate branches in Istanbul and Ankara and four corporate representative offices in Adana, Antalya, Bursa and Izmir, the Bank aims to increase the efficiency of its customers' daily banking transactions with its credit and non-credit products and to provide holistic financial services with its long-term collaboration strategy.

As of year-end 2024, QNB Türkiye's total number of corporate customers reached 7,415, while the number of its active customers was 1,169 and the number of active loan customers was 354. As of 2024, the Bank extended a total of TL 45.8 billion, USD 2.4 billion and EUR 1.1 million in corporate loans. As of year-end 2024, QNB Türkiye's cash loan market share in corporate and commercial loans amounted to 4.1%. Focusing on exporters, companies producing import-substituting products, and energy efficiency projects, financing support has played a major role in these successful outcomes. By prioritizing these strategic areas in line with regulatory guidance, the Bank aims to expand its contribution to the national economy and sustainable development.

As QNB Türkiye advances on its digital transformation journey without slowing down, the Corporate Banking business line continues to invest in digitalization with a customer-oriented and innovative approach. Operating with an "eco-system" banking approach, the Bank aims to be a comprehensive financial solution partner by providing services to its customers' ecosystems and different strategic partners in the value chain.

The Project and Structured Finance Department is responsible for the evaluation and coordination of medium-term loans and project financing requests, including multilaterally financed syndicated/club loans. Targeting growth in project finance in parallel with market growth, the Bank offers products such as project finance loans, ECA loans, syndicated loans, and secondary market loans. As of 2024 year-end, QNB's market share in cash project finance loans was 6.4%.

In 2024, self-consumption-oriented energy investments and the tourism sector stood out in project finance loans. The Bank continues to support self-consumption renewable energy projects that help corporate and commercial customers reduce their energy costs while considering various alternatives for its own solar power plant investment.

QNB Türkiye organized a seminar titled "Solar Energy Investment Models and Financing" on 28 May 2024, to emphasize the importance it places on renewable energy investments and to inform its customers about financing solutions in this field. The seminar attracted significant interest and was attended by more than 100 sector stakeholders.

QNB Türkiye Corporate Banking aims to prioritize risks that meet sustainability criteria in its future strategies and increase its investments in this area. For 2025 and beyond, it plans to assume a leading role in sustainable financing by improving customer experience through digitalization and innovative solutions.

By the end of 2024, QNB Türkiye's total number of corporate customers reached 7,426, while the number of active customers was 1,169 and the number of active customers with loans was 354.



Medium-Size Enterprises and Commercial Banking

In 2024, through the “Green Transformation Loan Programme” for SMEs and commercial enterprises, green transformation investments were supported by offering the advantage of interest rate reductions.

MSE and Commercial Banking provides services in 40 provinces with a total of 145 branches (22 being in the commercial segment and 123 being in the MSE segment). MSE Banking provides services to companies with an annual turnover above TL 40 million, and Commercial Banking provides services to companies with an annual turnover of TL 400 million and higher. The Bank goes beyond traditional banking products and provides customized solutions to customers with its expert staff in areas such as cash management, foreign trade, real estate project finance, sustainability finance, and tourism banking.

In 2024, the Bank adapted to rapidly changing economic policies and regulations and developed innovative solutions in line with sectoral and customer needs. To support companies' exports, the Bank offered business and investment financing products, thereby increasing its market share in loans and deposits both in the sector and among private banks. The Bank strengthened its asset quality through effective risk and portfolio management. In line with the strategies of acquiring new customers and deepening relations with existing customers, acquisition programs with various privileges were implemented. Customers were able to carry out their banking transactions more quickly and advantageously thanks to expanded product and service packages.

Through the “Green Transformation Loan Programme” for SMEs and commercial enterprises, green transformation investments were supported by offering the advantage of interest rate reductions. Through the collaboration between the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) and Captanomy, companies that certified reductions in their carbon footprints were offered preferential pricing on various Bank products and services.

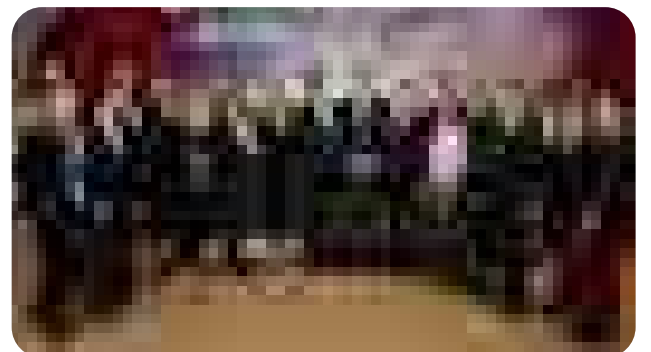
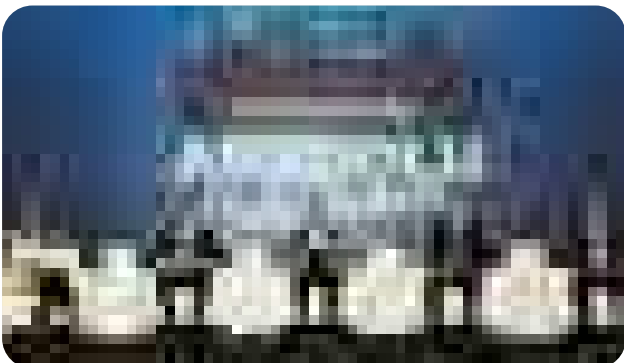
Credit support was provided to companies in the earthquake zone through funds established with the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC).

The scope of the “Step by Step Export” program, established to support exporting companies in increasing their market share and entering new markets, has been expanded in 2024. Within the framework of the program, customers received free consultancy services from foreign trade consultants as well as access to the advantageous services of solution partners in many areas such as logistics, customs, and market research.

In 2024, the Sustainability Finance unit was established under the ME and Commercial Banking umbrella in order to guide customers in the ME and commercial segments on sustainability and raise awareness in this regard. While aiming to provide information and guidance on sustainability and its funding in meetings with the real sector, the Unit also prioritizes building a portfolio to contribute to the Bank's green asset ratio.

In addition, in line with Türkiye's 2053 net zero emission goal, the digital and green transformation of Organized Industrial Zones was encouraged and the innovative solutions they need in this journey were provided. As of 2024, the Bank sponsored the preparation of the Green Transformation and Sustainability Center Strategic Plan of the Supreme Organization of Organized Industrial Zones (OSBÜK). The first event of this collaboration was the Strategic Plan Workshop for the Green and Digital Transformation of Organized Industrial Zones (OIZs) held by the Supreme Organization of OIZs (OSBÜK) under the main sponsorship of QNB Türkiye.

In 2024, “Anatolian Meetings (Adana, Bursa, Izmir, Kayseri, Konya)” and our award-winning program “Istanbul Meetings” were organized in a total of six different cities, where companies' new-term financing needs, the effects of digitalization and green transformation on trade were discussed, and customers were able to communicate with each other and create cooperation opportunities.





Consumer and Small Business Banking

QNB Türkiye stands out with its wide range of products and digitalization investments.

QNB Türkiye Retail Banking aims to meet the expectations of its customers at the highest level and maintain its sector leadership by focusing on designing the best banking experience in 2024. With this approach, the Bank analyzed the specific needs of different customer segments and continued to offer innovative and pioneering services and product packages.

By the end of 2024, QNB Türkiye Retail Banking reaches 1 million customers through 784 portfolio managers and 527 branches. With 352,000 active customers, the Bank ranks among Türkiye's leading private banks. Holding a strong position in Retail and SME Banking, QNB Türkiye distinguishes itself through its extensive product range and digitalization investments.

By the end of 2024, SME Banking loan volume has grown by 45.6% to TL 78.7 billion and the number of customers with loans increased to 233 thousand. By the end of 2024, retail loans have grown by 31% to reach a volume of TL 102 billion. The total number of personal loan customers is 2.4 million. The private sector market share in consumer loans increased by 90 basis points to 10.84% by the end of 2024.

QNB Türkiye has taken significant steps towards the digitalization of both its customers and branches in 2024. The Digital Cash Loans and Digital Letter of Bank Guarantee projects facilitated customers' access to banking products.

In 2024, QNB Türkiye Retail Banking Department aims to meet financial needs and expectations at the highest level and maintain its leading position in the sector by maintaining its customer-oriented approach. The Bank analyzed the specific needs of different customer segments and continued to offer innovative and pioneering service and product packages.

Based on its digitalization strategy, the Bank continues to add new innovative solutions offering speed, convenience, and trust to its customers. In this context, the QR Project and Receive to IBAN campaign launched during the period aimed to support cash flow and increase money transfers via QR.

In 2024, innovative projects have been launched for personal loans via QNB Mobile. With the Plus Loan project, customers were allowed to combine their existing loans and use additional loans, while the Shopping Loan offered the option to pay with loan at physical stores. The Mobile Payment Plan Change project allowed customers to change their loan payment plans via QNB Mobile without visiting a branch. The application also added the feature of viewing credit ratings and limits and started to offer the option of insured use in Installment Overdraft Account (ODA) transactions.

The Churn (Loss of Customers) Project, launched in 2024 to reduce customer churn and increase loyalty, analyzed in detail the usage trends of the Bank's products by SME customers with high churn potential. Within the scope of this project, customers were offered a 3-month free Comfort Package and affordable personal loan advantages. In the following phase of the project, customers with churn risk were offered advantageous financing solutions under the name of Recovery Loan. In 2025, within the scope of the Churn Project, promotion efforts shall be accelerated by focusing on customer groups with high churn potential.

Thanks to the fruitful partnership with the Bank's subsidiary QNB Insurance, market share in life and health insurance branches have been on an upward trend for the last three years, reaching 11% and 7.9% respectively in 2024. Credit life insurance product with critical illness coverage, launched in 2024, aims to provide financial security to customers against unexpected health problems such as heart attack, stroke, and cancer. In addition, customers can now purchase Compulsory Disaster Insurance and Home Insurance and renew their Complementary Health Insurance policies via QNB Mobile.

Assuming a pioneering role in sustainability, QNB Türkiye continued to offer carbon footprint reduction and management solutions through the Digital Bridge in 2024 to enable its firms to measure their carbon emissions. Through these solutions, it aims to help customers understand and manage their environmental impact.





Enpara.com

Enpara.com offers a 100% digital and self-service banking experience to individual customers and small-scale legal entities by sharing the cost advantage of the branchless banking model with its customers.

Enpara.com offers a 100% digital and self-service banking experience to individual customers and small-scale legal entities by sharing the cost advantage of the branchless banking model with its customers. Since its establishment in 2012, Enpara.com has stood out as a pioneering and innovative brand in digital banking.

In 2024, Enpara.com continued to enhance its services by focusing on customer experience. While delivering the products and services it offers to its existing customers flawlessly, it also continued to expand its customer base enjoying the Enpara.com experience.

Enpara.com gained 1.4 million individual customers in 2024, reaching 7.2 million customers. With 59 thousand new customer acquisitions, the number of corporate customers reached 260 thousand. In retail customers, Enpara.com's market share in the sector in terms of the number of customers acquired through digital customer acquisition processes was realized at a monthly average of 16%.

In 2024, the focus was on infrastructure, hardware, and business processes for Enpara.com to continue its operations under a separate license and a separate bank organization under Enpara Bank A.Ş., which was established in December 2023. On 23 August, 2024, Enpara.com was granted an operating license. Following the completion of the partial spin-off processes, Enpara.com will separate from QNB Türkiye in 2025 and continue its operations as a fully independent bank. In the coming period, Enpara.com aims to establish itself as one of the most important banks in the sector by leveraging the brand awareness, customer experience, and technological capabilities it has developed to date.



Enpara.com increased the number of its retail customers by 1.4 million in 2024, reaching a total of 7.2 million customers. The number of corporate customers increased by 59 thousand to 260 thousand.



Payment Systems

In 2024, with 8.6 million credit card users and 327.7 thousand POS devices, QNB Türkiye has set itself apart in the sector through its digitalization and sustainability-oriented projects, offering speed, simplicity, and convenience in payment technologies.

QNB Türkiye was one of the leading banks in the sector with 13 million 923 thousand credit cards and a card turnover of approximately TL 143.7 billion in 2024. The total credit card receivable balance was TL 259.4 billion by the end of 2024, and the market share was 11.21%.

QNB GO: QNB GO, one of Türkiye's first digital credit cards, is tailored to the requirements of e-commerce. Offering privileged services for the digital world, QNB GO has made the credit card experience more interactive and entertaining with advantageous opportunities and gamification for users in 2024.

Miles&Smiles QNB: QNB successfully continued its Miles&Smiles passenger program and credit card collaboration with Turkish Airlines under the 5-year agreement concluded in 2019 and the contract between the two institutions was renewed in 2024, extending the duration of the collaboration. In 2024, Miles&Smiles QNB credit card users continued to earn Miles at privileged rates from the purchases they make with their cards and to use the Miles they earn to purchase award tickets at Turkish Airlines. Cardholders benefited from extra Mile Campaign opportunities in various sectors and on special days throughout the year and gained special discounts at various restaurants and venues during the summer.

QNB Nakit: QNB Cash offered QR and Near Field Communication (NFC) payment solutions to its customers in 2024 and allowed them to use debit cards for their shopping with various campaigns.

QNB Commercial Cards: QNB Commercial Cards are designed to help businesses manage their cash flow and facilitate their commercial transactions. QNB SME allows customers to earn while buying by offering maturity, installment, account statement deferment, and instant loan features for their expenses. Additionally, by popularizing the Turkish Payment System (TROY) branded commercial credit card, a market share of 8.20% was achieved with 916 thousand cards.

POS: QNB offers comprehensive solutions for all collection needs of merchants, supported by its robust infrastructure and diverse POS options tailored to various needs. By the end of 2024, the number of POS reached 327,745 and the number of merchants reached 264,268, with a turnover market share of 5.13%.

In 2024, QNB Türkiye further advanced payment technologies with an emphasis on speed, simplicity, and convenience, thereby enhancing the value it delivers to its customers in this area. In addition to deepening the digital experience, the Bank accelerated its efforts to raise awareness and promote the widespread use of its payment system products and services.

In this context, awareness was raised about credit cards through above-the-line communication activities during the back-to-school and New Year periods. In parallel with the name change of the Bank, "CardFinans," the umbrella brand of credit cards, was renamed as "QNB Credit Card" and made available to customers with the brand power of the main shareholder.

Activities regarding card acceptance and issuance continued and products and services were delivered to customers through branches, Direct Field Banking channels, ATMs, Mobile Banking, Internet Banking, and web and Telephone Banking channels.

In order to make retail customers' lives easier, debit cards were made available for mobile contactless payments (NFC), and a virtual debit card product was introduced. In addition, loyalty and promotion activities were supported with ParaPuan campaigns organized for individual credit card users during back-to-school and New Year periods.

Practices and innovations focusing on sustainability also came to the forefront during this period, and the "Green Program" was introduced to customers in April 2024. Thanks to this package, customers using digital slip and mobile contactless payment methods enjoyed the opportunity to contribute to afforestation activities at the Sarılar Afforestation Site in Gaziantep through the TEMA Foundation.

Significant improvements have been introduced to simultaneously meet the needs of merchants and provide card users with a faster and more flexible payment experience. Cards with the UnionPay logo were made available at virtual POSs, while physical POS devices were updated to support the contactless transaction feature of these cards.

To facilitate international payments, in October, the TROY-Discover joint scheme individual credit cards were offered to customers, enabling TROY scheme credit cards to be used abroad.



Credits

QNB Türkiye conducts its lending activities and assesses the environmental and social risks of the projects provided with loan in line with its Sustainability Policy.



The Loans Department aims to ensure the effective management of the loan portfolio within the framework of the loan policies set by the Bank. The Department's specialized teams improve decision quality at every stage of the processes with advanced models, systems, and workflows. From the application and issuance stage to the collection, close monitoring, and legal proceeding stages, all processes are carried out by experienced teams and supported by a strong analytical infrastructure.

The Financial Institutions Loan Management Department continued to evaluate all domestic and foreign bank risks within the framework of the Bank's loan and risk policies in 2024 and to allocate limits by expert teams accordingly.

QNB Türkiye carries out the environmental and social risk assessment process of lending activities and projects provided with loan in accordance with the Environmental and Social Risk Assessment Policy and the Sustainability Policy.

Loan decision systems supported by next-generation technologies and digitalization-centric analytical solutions contribute to the creation of a common loan culture. Efficiency in loan processes is increased by developing fast decision-making mechanisms, customer needs are quickly met to create satisfaction, and the quality of the loan portfolio is maintained. In addition, continuous improvements are made to design loan processes within the framework of sustainability.

Loan decision systems supported by next-generation technologies and digitalization-centric analytical solutions contribute to the creation of a common loan culture.



Treasury

In 2024, the Treasury Department made a high contribution to profitability in line with the QNB Türkiye's goals by analyzing the volatility in the markets and the risks arising.

In the QNB Türkiye Treasury Department, fixed income securities (FIS), foreign exchange and derivatives trading activities are carried out by the Foreign Exchange and FIS Markets Department, while transaction limits, limit utilization, and profitability are closely monitored. In 2024, the Department made a high contribution to profitability in line with the Bank's goals by analyzing the volatility in the markets and the risks arising.

In 2024, QNB Türkiye Treasury Sales Department was competitive, solution-oriented, and proactive in offering financial solutions to its customers with a customer-centric approach. In the reporting period, the Bank gained momentum in gaining new customers with the different hedge instruments it offered to its customers and continued to increase its momentum in deepening its existing customers. In addition to being the first bank to offer its customers the first sustainable deposit product in the market and grow this portfolio, the QNB Türkiye has achieved significant success in achieving its goal of becoming the main bank of its customers with competitive pricing in commodity hedging transactions, FX, and interest rate hedging products, fixed income securities transactions, and spot foreign exchange transactions, and has made a significant contribution to the Bank's profitability. Numerous digitalization projects were carried out for treasury operations and products offered to customers.

In 2024, special attention was paid to balance sheet management in order to maintain the balance between assets and liabilities and to maintain the Bank's financial robustness. In 2024, the suppression theme in interest income came to the fore due to rising interest rates. In this context, proactive solutions were developed to create cheap funding sources, on the one hand, and cautious strategies were pursued against possible market movements, on the other. Appropriate hedging strategies have been implemented to minimize risk against changes in interest rates and fluctuations in foreign exchange rates. This made a significant contribution to maintaining the financial soundness of the Bank and interest income was managed at an optimal level despite increasing funding costs. A more prudent balance sheet structure was adopted against possible shocks and developments with the composition of the balance sheet and effective management of duration risks.

QNB Türkiye International Banking meets the Bank's short, medium, and long-term funding needs through its extensive relationships with financial institutions and investors, while ensuring seamless execution of international trade and financial transactions through its strong correspondent banking network.

The International Banking Department consists of Correspondent Banking and Structured Funding units. These units provide funding to the Bank, including Islamic financing from loan and capital markets.

The Correspondent Banking Unit not only manages a strong correspondent network with 1,070 SWIFT connections in more than 100 countries but also ensures that the foreign trade of its customers is carried out on a reliable and solid basis with more than 30 active accounts in 20 different currencies.

The Correspondent Banking Unit supports QNB Türkiye's and its customers' access to external financing sources and continues to develop its relationships in areas such as international payments and correspondent bank account management.

The Correspondent Banking Unit, which conducts all syndicated transactions as sustainable, concluded two successful syndicated loans in 2024. In the first half of the year, the Bank secured a sustainable syndicated loan of USD 400 million. In the second half of the year, it successfully secured sustainability-linked syndicated loan amounting to USD 650 million with a maturity of 1, 2 and 3. QNB Türkiye continues to stand out as the only Turkish bank to extend the maturity of syndicated loans up to 3 years over the past five years. Both syndicated loans, which have seen high demand, support our mission of advancing the Turkish economy and strengthening foreign trade.

It carries out an outstanding performance to increase its sustainable product range and prioritizes green and blue foreign trade financing in its funding strategy.

In line with the short, medium, and long-term funding strategies of QNB Türkiye, the Structured Funding Unit continued to expand its product range and strengthen its relations with its investors in 2024.

In 2024, QNB Türkiye issued the Bank's first sustainable Eurobond with a nominal amount of USD 500 million, and in addition to this issuance, QNB Türkiye raised approximately USD 1.4 billion through private issuances under the MTN Program and became a pioneer among Turkish banks in this domain. Two of these transactions were green and blue bond issuances totaling USD 125 million with IFC and EBRD. QNB Türkiye has established a new sustainability standard in the sector by developing its expertise in blue finance with Türkiye's first blue bond issuance. Another private issuance carried out with responsAbility fund was a green borrowing of USD 20 million.

Loan agreements totaling USD 220 million were concluded with IFC, EBRD, Proparco, and EFSE in 2023 to meet the financing needs of individuals and SMEs in earthquake-affected provinces and USD 142 million with IFC, EBRD, and Proparco in 2024.



Information Technologies, Operations, Channels and Business Development

The Business Development and Strategy Office designs business development activities in line with the Bank's strategy and envisions the best customer experience by analyzing market trends, customer needs, and the competitive environment.

The Department is engaged in software development, researching software technologies, developing methodologies and standards, producing new software, meeting the digital and core banking software requirements of QNB Türkiye and subsidiaries thereof, planning and managing the design, installation, and development of Information Systems infrastructures in terms of capacity, technological innovations and system sustainability, and collaborating with companies related to the above-mentioned areas of activity.

In recent years, applications with microservice architecture have begun to appear in the market and when the need arises to develop a new application within the banking system, QNB Türkiye prioritizes the development of the application in accordance with the microservice architecture. There are completed and ongoing studies on API Management and modularization of core banking systems.

"Machine learning" and "deep learning" models and services developed in-house are used to support processes in terms of shortening transaction times, determining operation process prioritization, reducing the possibility of error, and providing the ability to perform certain tasks that would take too long or cannot be done with manpower.

In the field of digital Remote Customer Acquisition, Natural Language Processing (NLP) and computer vision methods are used in the recognition and verification of different types of identities, identity verification by comparing people's faces, and liveness analysis for online/offline interviews over photos and videos.

To enhance efficiency in software development processes, research and pilot studies have been initiated to explore the use of Large Language Models (LLMs) and advanced learning models for AI-supported processing, comprehension, and production of human language.

The document masking service automatically obscures important information on images in high-volume data.

As part of the Information Continuity project, the Ankara YDA office, which was determined as the working location for the personnel to be deployed in case of a disaster, was put into use in 2024. The staffing process is underway to ensure that it will serve the Bank effectively in the coming years.

Business Development and Strategy Office

The Business Development and Strategy Office designs business development activities in line with the Bank's strategy and envisions the best customer experience by analyzing market trends, customer needs, and the competitive environment. To this end, it works with the Information Technologies teams to implement projects and monitors business results with other business lines.

Following the rapidly developing technology, the department closely monitors developments in branch processes, robotic automation projects, call center, and ATM applications and strives to integrate the latest technologies into the Bank's applications.

Digital approval activities, which made a significant contribution to Paperless Banking efforts, continued in 2024. New products and processes such as foreign customer digital approval process and customer notification service application processes have been added to the digital approval flow.

Several innovative solutions was introduced to enhance the customer experience and optimize operational efficiency. Documents such as receipts, consular letters, asset reports, and withholding tax letters can now be received digitally. It was ensured that visa/consular letters can be received using electronic signatures in order to expand the use of e-signatures. While the use of "E-Box Office" has been expanded to enable box office transactions to be carried out through self-service channels, efforts in this regard continue along with the new branch concept works.

In line with the Bank's sustainability goals, receipts for cash transactions at ATMs can now be obtained through the QNB Mobile banking application.



OCR and artificial intelligence technologies were introduced to execute customer instructions, optimizing processes and minimizing errors. In order to increase security during authentication and facilitate processes in transactions carried out at branches, it is possible to verify the identity by using smart national ID cards (cards with chips) with Near Field Communication (NFC) technology in mobile phone update flows and perform biometric verification with AI-supported facial recognition. Work is underway to use NFC and face recognition for SIM card unblocking.

Several innovative solutions were introduced to enhance the customer experience and optimize operational efficiency in the Call Center processes. SMS/PN approval processes have been integrated into the Call Center processes. In certain menus, processes have been designed to enable active mobile customers to take action by directly accessing the relevant menu via QNB Mobile. Efforts were undertaken to enhance the efficiency of the Suspicious Transaction Notification screen integrated into the security scenarios. To increase operational efficiency, actions were taken on the expenditure objection processes received through the Call Center, resulting in a 19% reduction in the number of records sent to operations units.

Developments were continued in ATM processes to improve customer experience and contribute to sustainability. In order to increase digital activity, digitally active customers were offered the opportunity to deposit money without a card using a QR code. In line with the Bank's sustainability goals, receipts for cash transactions at ATMs can now be obtained through the QNB Mobile banking application. In addition, language options have been expanded for transactions made with foreign bank cards.

Core Banking and Branch Operations

Check/promissory note transactions, cash management, deposit and safe deposit box operational processes, EFT-Transfer processes, reporting to government agencies, information requests from government agencies, Attachment-Release processes, customer information management, archive and document management as well as all operational processes of branches and customers are carried out.

Foreign Trade, Treasury, and Loan Operations

All operations related to foreign trade, letters of credit and external guarantees, loans, Treasury and derivatives, institution payments, legal proceedings, mortgages, signatures, insurance, and corporate branches are carried out.

Direct Banking, Call Center, and Customer Solution Center

QNB Türkiye Call Center Channels serve with more than 1,000 agents in three locations to approximately 28 million inbound calls, 18.5 million outbound calls, 7.5 million chat requests, and 2.5 million video calls annually via telephone (voice), written live support (chat), and video calls for Retail Banking, Small Business Banking, Digital Bridge and International Customers. Call Center Channels performed above the service levels stipulated in the "Regulation on Determining the Service Level and Quality of Banking Call Centers." It is also an important channel for new customer acquisition.



Information Technologies, Operations, Channels and Business Development

The Customer Solution Center sets its primary goal as increasing customer satisfaction and service quality.

The Customer Solution Center ensures that the processes from recording the requests, complaints and objections of the customers that cannot be answered at the first contact to resolving them and informing the customers are carried out within the framework of the determined quality standards.

During incident resolution processes, the potential for the same problem to be experienced by other customers is also evaluated, the root causes of the problem, if any, are identified, and the necessary follow-up and coordination is provided until corrective actions are determined and implemented. The priority of the customer solution center is to increase customer satisfaction and service quality. Throughout incident resolutions, incidents that can be answered at the first contact are identified on the front ends, and necessary feedback is provided to the channels and support is provided with training. Based on the analyses, work flow changes and improvements that are determined to increase the first contact resolution rate are implemented.

The Direct Banking Department determines the growth strategy of the Bank's ATM network and ensures that ATMs are installed in locations determined accordingly. The Department monitors the performance of existing ATMs and takes additional actions together with other relevant business lines. In addition, the Direct Banking Department ensures that financial problems experienced at the Bank's ATMs are resolved as soon as possible with high service quality and customer-oriented approach.

Construction Real Estate and Appraisal Management

The Construction, Real Estate and Appraisal Management is responsible for the positioning of branches, buildings, and ATMs in line with the Bank's requirements, execution of contract processes, the realization of construction, electrical and mechanical projects, and maintenance and operation processes. In addition, Appraisal Services include the reporting and valuation of the Bank's real estate and securities loans.

In 2024, modernization and optimization works were carried out in branches and offices. In this context, 16 branches were relocated, expansion efforts were carried out at 2 branches, and extensive construction projects were completed/brought to the completion stage at 6 locations. In addition, 8 Direct Sales offices were relocated, 1 Direct Sales office was renovated, minor renovations were carried out at 309 locations, and a Safe Deposit Box area was created for Special Customers in the Crystal Tower.

Important steps were also taken to strengthen the infrastructure of data centers. In order to provide additional capacity to the data center located in Ümraniye Operations Center Block E, power was increased, and new design efforts are ongoing. This project is planned to be completed in 2025. A new Data Center project has been initiated in Ankara. It will be LEED and Tier III or Tier IV certified. The land for the center has been purchased, project designs have been completed and construction work has begun. It is forecasted that the project will be completed by year-end 2027.

In order to enhance customer experience and service quality, the renovation of the Enpara Bank Head Office building in Crystal West Tower was completed. The signboards and visuals of branches, buildings, and ATMs have been renewed as part of the rebranding project. LED transformation was implemented in the buildings to enhance energy efficiency.

The 1st Interim Audit conducted for the Crystal Tower and Ümraniye Operations Center Block E building as part of the ISO 50001 Energy Management System was successfully completed. We continue to explore new projects for the establishment of solar power plants to meet QNB Türkiye's energy needs.

Efforts are also underway in the area of security and risk management. Earthquake performance analyses were completed in all branch buildings in line with 2018 earthquake regulations.

The new Data Center project initiated in Ankara is designed to be LEED- and Tier III- or Tier IV-certified and is targeted to be completed by the end of 2027.



Legal Counseling

The Legal Counseling ensures compliance in many processes, from digitalization projects to remote customer acquisition.

The Legal Counseling ensures that the Bank's processes, transactions, and operations are carried out in accordance with legislation and regulations. The Legal Counseling consists of lawyers and employees who carry out operational processes in a structure that includes Consulting, Litigation, Process and System Management, and the Board of Directors and Corporate Governance Office divisions. Consulting Division consists of two departments namely: Consumer Banking and Payment Systems Consultancy and Corporate, Commercial Banking and Project Finance Consultancy, and it is organized as separate units, which are responsible for consumer banking, payment systems, corporate and commercial banking, treasury and structured finance, project finance and competition law.

Consulting Division's activities: to evaluate the banking products and services that are offered and legislative changes that affect business processes, and within this scope, provide legal opinions on all transactions, processes, new products, projects, and campaigns from a legal point of view; prepare agreements, finance documents in conformity with the Bank's requirements; prepare internal regulations, guidelines and procedures on legally relevant matters and they participate committees relating to their scope of duty. The Legal Proceeding System provides legal support for the daily work flow of the head office units and branches, which constitute the majority of the Consulting Division's workload. Additionally, the Consulting Teams also represent the Bank before public institutions and professional associations and contribute to the sector-specific regulations. In addition to the aforementioned activities, the important agenda items for 2024 were ensuring compliance with the legislative changes that have been on an upward trend in recent years, providing legal support for the structures to be built based on the importance of digitalization, and carrying out all legal processes regarding the change of the Bank's name to QNB Bank A.Ş. In 2025, it is believed that the significance of digitalization will increase and the relevant legislative regulations will remain in place. It is considered that the support of the legal counseling will be important in the processes to be carried out for both remote customer acquisition and digitalization of the Bank's processes. In addition, the Bank's Disciplinary Committee, Information Sharing Committee, Corporate Governance Committee, and the secretarial duties of the Board of Directors are also managed under the Legal Counselling.

Litigation Division consists of 4 teams organized under Penal Suits and Commercial Lawsuits, Labor, Intellectual Property and Service Procurement Lawsuits, Consumer Lawsuits and Administrative Suits and Ankara Region Litigation Unit. The Division represents the Bank in entire lawsuits and enforcement proceedings brought by the Bank or against the Bank, excluding the disputes arising from non-performing loans, as well as investigations by prosecution office, cooperates with other units of the Bank to work on matters of any potential litigation, follows criminal complaints and lawsuits filed by the Bank or against the Bank, guides external lawyers so as to ensure that cases are followed across the country and represents the Bank before authorized public institutions and professional associations.

Process and System Management creates and follows all operational projects, particularly the Litigation System, carries out works for the determination and follow-up of the target budget, meets the report and presentation requests, and carries out operative procedures regarding the litigation processes of the Litigation Division.

The Board of Directors and Corporate Governance Office is tasked to organize the meetings of the Board of Directors and the meetings of the General Assembly, perform material events disclosure as per the Communique on Material Events and Internal Procedures of the Bank on Public Disclosure of Material Events and attend to all procedures regarding Corporate Governance.

The Litigation Division consists of 4 teams organized under Penal Suits and Commercial Lawsuits, Labor, Intellectual Property and Service Procurement Lawsuits, Consumer Lawsuits and Administrative Suits, and Ankara Region Litigation Unit.



Subsidiaries and Affiliates

Since its establishment in 1990, QNB Finansal Kiralama A.Ş. has been playing an active role in financing investments of the customers.

QNB Leasing (QNB Finansal Kiralama A.Ş.)

Since its establishment in 1990, QNB Finansal Kiralama A.Ş. has been playing an active role in financing investments of the customers. QNB Leasing (QNB Finansal Kiralama A.Ş.) , as one of the leading companies in the sector in terms of the diversity of sectors and regions it serves and the breadth of its products, has adopted a customer-oriented strategy, focusing on developing tailored solutions for the specific requirements of its customers' sectors and businesses.

Having a widespread branch network across Anatolia, enabling it to analyze the needs of its clients on-site, QNB Leasing operates through a network of 14 branches, 1 being in the Free Trade Zone.

Focusing on financing sustainable investments throughout 2024, QNB Leasing expanded its activities in the field of solar energy, which it has been carrying out since 2015, and entered the wind energy sector in 2024, signing collaboration agreements with four wind energy companies. In addition to renewable energy, QNB Leasing has concluded collaboration agreements with Türkiye's leading companies in the areas of energy efficiency, water efficiency, and wastewater management, aiming to contribute to their sustainable investments. In this context, a Green Economy Financing of EUR 25 million was secured from the European Bank for Reconstruction and Development (EBRD) to finance environmentally friendly projects. In addition to EBRD, QNB Leasing has also received funding from the Turkish Industrial Development Bank (TSKB) and Türkiye Development Investment Bank (TKYB) to support sustainable projects and has taken steps to increase employment and women's employment in particular and to support companies managed by women.

In addition to sustainable investments, QNB Leasing continued to contribute to the growth of the economy and production by leasing all types of machinery, equipment, IT hardware, software, metalworking machines, etc. to meet the needs of all sectors, especially the manufacturing, tourism, healthcare, and construction sectors.

In 2024, a collaboration protocol was concluded with ESCON Energy to support projects in the areas of energy efficiency, conversion, and recovery. This collaboration aims to contribute to sustainable investments.

As of year-end 2024, the Turkish leasing sector generated a new transaction volume of USD 6,164 million, and QNB Leasing achieved a new transaction volume of USD 731 million with a share of 11.9% in this volume.

As of year-end 2024, QNB Leasing's total assets amounted to TL 31.2 billion and net profit for the period was TL 1.2 billion.

www.qnbleasing.com.tr

QNB Leasing took steps towards financing eco-friendly projects by securing EUR 25 million in Green Economy Financing from the European Bank for Reconstruction and Development (EBRD).

QNB Invest (QNB Yatırım Menkul Değerler A.Ş.)

Established in 1996 to engage in capital market activities, QNB Invest operates with the desire to stand out as innovative and reliable in capital markets. As a fully-fledged investment company, it always aims to provide the best in class service to its customers with its product diversity and technological investments, and aims to be innovative and a pioneer in the investment world, by closely following the changes and developments in the financial sector.

In addition to a wide range of products such as investment funds, domestic and international equities, futures and options market, on-account trading of capital market instruments, short selling and lending transactions, mutual funds, fixed income securities, and leveraged trading transactions, QNB Invest provides services in portfolio management, corporate finance, investment consultancy, individual and collective custody, fund service unit services, Takasbank fund platform services, and risk management services.

QNB Invest serves all customer needs through 20 branches across 14 provinces, a large sales team at its Head Office, and digital trading platforms.



In May 2024, QNB Invest launched the “Investment School” platform to enhance financial literacy across all age groups, helping individuals understand the investment world, and supporting new and experienced investors in building their financial futures.

In 2024, QNB Invest led the IPOs of Oba Makarna, Türkiye’s largest pasta exporter; Özyaşar Tel, which has more than 50 years of experience in the steel wire industry; and Horoz Lojistik, Türkiye’s leading third-party logistics services provider.

In 2024, QNB Invest’s post-tax profit reached TL 1.7 billion. Futures and Options Markets, and loans were 7%, 54% and 87%, respectively.

QNB Invest sustained its success by winning “Türkiye’s Best Investment Bank” for the second time in a row at the World Finance Banking Awards 2024. In the “9th TSPB Golden Bull Awards” organized by the Capital Markets Association of Türkiye, which is organized to crown successful projects based on innovation in the financial world and to inspire sector stakeholders, the Bank was awarded the “Foreign Investor Custody Balance Leader Award” for 2023.

www.qnbinvest.com.tr

QNB Investment serves all customer needs through 20 branches across 14 provinces, a large sales team at its Head Office, and digital trading platforms.

QNB Asset Management (QNB Portföy Yönetimi A.Ş.)

QNB Asset Management, which was established and started its activities in 2000, manages the retirement funds of QNB Health Life Insurance and Pension in addition to the securities investment funds and exchange-traded funds.

In 2024, the Company received the “Best Asset Management Company in Türkiye” award at the “Global Banking & Finance Awards” organized by Global Banking & Finance Review.

Reaching a market share of 6.1% in securities investment funds as of year-end 2024, QNB Asset Management recorded a consolidated net profit of TL 699 million in 2024.

www.qnbportfoy.com.tr

QNB Investment sustained its success by winning the “Türkiye’s Best Investment Bank” (World Finance Banking Awards 2024) for the second consecutive year.

QNB Factoring (QNB Faktoring A.Ş.)

Established in 2009, QNB Factoring is one of the leading companies in the factoring industry thanks to its specialized staff with significant experience in the banking and factoring industry. It is a member of Factors Chain International (FCI), the world’s most prominent international factoring organization.

Headquartered in Istanbul, QNB Factoring continues its operations through 20 branches and digital channels in Adana, Ankara, Antakya, Antalya, Anadolu Ticari, Avrasya Ticari, Bursa, Denizli, Eskişehir, Gebze, Halkalı, İzmir, Kayseri, Konya, Ostim, Samsun, Gaziantep, Mersin, Diyarbakır and Trabzon.

As of the end of 2024, QNB Factoring’s shareholders’ equity reached TL 3.83 billion, total assets reached TL 27.50 billion and factoring receivables reached TL 27.11 billion.

As of year-end 2024, net profit stood at TL 1,350 million and the Company’s market share in terms of total factoring receivables was 9.3%.

www.qnbfaktoring.com.tr

QNB Faktoring is a member of Factors Chain International (FCI), the world’s most prominent international factoring organization.

QNB Asset Leasing (QNB Varlık Kiralama Şirketi A.Ş.)

QNB Asset Leasing was established in 2018 as a subsidiary of QNB Yatırım Menkul Değerler A.Ş., one of the leading investment institutions in the sector, for the sole purpose of issuing lease certificates. The company has adopted the principle of introducing the lease certificate to investors, increasing awareness, and informing investors.

www.qnbvarlik.com.tr



Subsidiaries and Affiliates

QNB Insurance continued to make a positive impact through various social responsibility projects in 2024, including the launch of the QNB Insurance Life Forest with 10,000 saplings.

QNB Insurance continues to serve its customers with the motto “Today, just live the day with QNB Insurance.”

QNB Health Life Insurance and Pension (QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş.)

QNB Health Life Insurance and Pension, also known as QNB Insurance, was established in 2007 under the name Finans Emeklilik ve Hayat A.Ş. and was restructured in 2012 as Cigna Finans Sağlık Hayat ve Emeklilik A.Ş., with a partnership structure of 49% QNB Finansbank and 51% Cigna Nederland Gamma B.V. In 2020, it decided to continue its activities under the name of Cigna Sağlık Hayat ve Emeklilik A.Ş. In 2022, QNB acquired 51% of the shares of Cigna, the other shareholder of the Company, and the Company became a 100% subsidiary of the Bank. The Company changed its trade name to QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. (QNB Health Life Insurance and Pension) with the amendment of its articles of association at the Extraordinary General Assembly held on 30 May 2023, and continues to serve its customers with the motto “Today, just live the day with QNB Insurance.”

By the end of 2024, the net assets of 23 retirement investment funds established by QNB Insurance reached TL 4,564.8 billion, including BEFAŞ and government contributions. Providing services in Health, Life, Personal Accident, Personal Accident Insurance, and Private Pension products, QNB Insurance’s net sales revenue for 2024 is TL 8,859 million.

QNB Insurance continued to touch lives with various social responsibility projects in 2024. In addition to social responsibility projects, in March 2024, in cooperation with the Aegean Forest Foundation, the QNB Insurance Life Forest was created with 10,000 saplings planted on behalf of its customers in Yeşilovacık Village in Mersin/Silifke.

www.qnbsigorta.com.tr

IBTech collaborates with companies to provide design, installation, and development services in the areas of capacity-building innovation and systemic sustainability brought about by emerging technologies and changing conditions.

QNB YÖNÜM VENTURES B.V.

QNB YÖNÜM VENTURES, a corporate venture capital investment fund that invests in early stage technology startups and Venture Capital (VC) funds in Türkiye and around the world, aims to have an advantageous position that adapts to the future structure of banking.

QNB YÖNÜM VENTURES invests in initiatives aimed at enriching R&D activities, reducing competitive risks, and understanding emerging technology and business trends.

www.qnbeyondventures.com

IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş.

Founded in 2005, IBTech develops software and infrastructure projects in the field of digital and core banking and provides design and development services. IBTech collaborates with companies to provide design, installation and development services in the areas of capacity building innovation and systemic sustainability brought about by emerging technologies and changing conditions.

As of year-end 2024, IBTech’s total assets amounted to TL 591.9 million, and its net profit for 2024 was TL 15.3 million.

www.ibtech.com.tr



QNB eSolutions has made a significant contribution to sustainability by digitizing 593 million pages of data, equivalent to 23% of the Gross Domestic Product (GDP).

**QNB eSolutions
(QNB eSolutions Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.)**

QNB eSolutions was established in 2013 to ensure e-Invoice integration in the financial sector. It has been operating as a 100% subsidiary of QNB Türkiye since 2018. Continuing to serve as the leader of the e-Transformation sector in Türkiye, QNB eSolution has transformed into a fintech company with its renewed and expanded e-Transformation applications.

QNB eSolutions provides services in e-Invoice, e-Ledger, e-Archive Invoice, e-Waybill, POS Invoice, e-Foreign Exchange Receipt, e-Self-Employment Receipt, e-Producer Receipt, e-Dispatch, and e-Insurance Commission Expense Certificate products.

QNB eSolutions operates with more than 350 different types of ERP / Accounting software thanks to its Enterprise Resource Planning (ERP) independent structure, provides uninterrupted service with remote connection through digital technologies, and offers a 24/7 customer experience with digital assistants and customer representatives from all digital channels.

With more than 100 thousand active customers as of 2024, QNB eSolutions continues making contribution to sustainability by creating 568 million e-Documents and 24,6 million A4 pages of equivalent financial book data and digitizing 593 million pages of data equivalent to 23% of the Gross Domestic Product (GDP). QNB eSolutions' total assets reached TL 1,174.7 million as of the end of 2024.

QNB eSolutions is the largest solution partner of the Digital Bridge, which was introduced by QNB Türkiye in 2019. The e-Invoice and other e-Transformation solutions provided by QNB eSolutions enable companies to transfer their financial and daily operations completely to the electronic environment.

QNB eSolutions was ranked among the top 10 e-Invoice service providers by CIO Applications Europe, published in Silicon Valley in 2024 and became the only Turkish company to win this award five times in a row.

www.qnbesolutions.com.tr

By providing secure asset transfer between branches and cash centers and cash support to ATMs, Bantaş reached an asset value of TL 629 million as of 2024 year-end.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.

Bantaş was established in 2009. 33.33% of its shares belong to QNB Bank A.Ş., 33.33% to Denizbank A.Ş., and 33.33% to Türk Ekonomi Bankası A.Ş. Bantaş provides secure asset transfer services between branches and cash centers and provides cash support to ATMs. As of 2024 year-end, Bantaş's total asset value reached TL 629 million.

www.bantastr.com



The Value We Create

As a financial institution, QNB Türkiye aims to create a more sustainable world by supporting clean and inclusive economic development.







Value Creation Model

Related Capital

Inputs



Financial Capital



- Sustainable financial growth and operational profitability
- Robust capital and shareholding structure
- Diversity of resources and liquidity strength
- Total assets
- Shareholders' Equity
- Deposits
- Loans
- Proactive financial and strategic risk management
- Effective customer segmentation



Our Intellectual Capital



- Digitalization of financial life
- Investments for digital transformation
- Digitalization of business processes
- Digital payment systems
- QNB Wallet
- Lidy
- Digital Intelligence Q
- Digital Bridge
- Strong information security infrastructure
- Robotic automation processes
- QNBeyond



Produced Capital



- Head office
- Operation centers
- Regional offices
- Countrywide network of branches and ATMs
- Overseas branches
- Barrier-free branches and ATMs
- Various banking products and services
- The management systems and certifications of the Bank
- Subsidiaries and Affiliates



Social and Relational Capital



- Interactions with stakeholders and established collaborations
- Corporate Memberships
- A banking approach that empowers and prioritizes customer experience
- An efficient corporate communication approach
- Projects that create a social benefit through corporate citizen awareness
- Initiatives that bring a social value
- Responsible and sustainable value chain management



Human Capital



- QNB Türkiye family
- Corporate values of QNB Türkiye
- Robust corporate culture
- A preferred employer profile that adopts the principles of diversity, equality of opportunities, and inclusivity
- Good working conditions
- Professional and personal development opportunities
- Equal recruitment processes, fair compensation and benefits
- Effective internal communication activities
- An approach that prioritizes business ethics and shows zero tolerance in the combat against corruption



Natural Capital



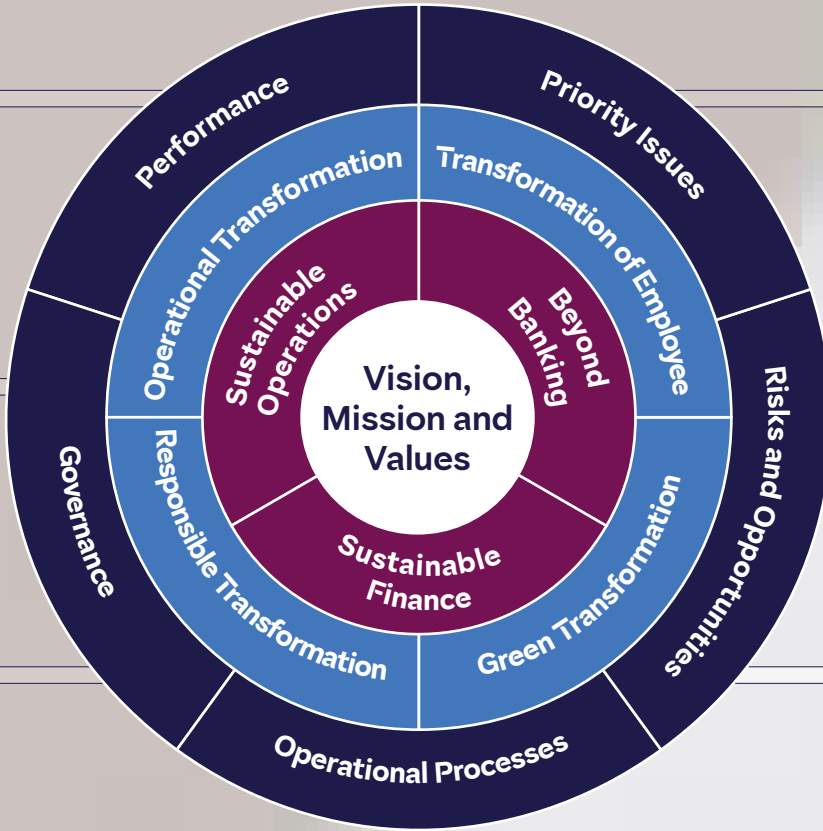
- Financing sustainability
- Utilization of natural resources
- ESG Impact on lending
- Managing environmental impact
- Net Zero target, plan for reducing carbon emissions
- CDP reporting
- Paperless banking practices





QNB Türkiye's Sustainability Strategy

Outputs



- Total consolidated assets: TL 1,555.1 billion
- Consolidated net loans: TL 911.2 billion
- Consolidated deposits: TL 878.4 billion
- Consolidated equity: TL 119.0 billion
- Consolidated net interest income: TL 53.7 billion
- Consolidated net fees and commissions income: TL 20.3 billion
- Consolidated net profit for the period: TL 36.2 billion
- Consolidated capital adequacy ratio: 16.7%
- Consolidated return on equity: 36.2%

- Number of active digital customers: 6.9 million
- Number of active mobile banking customers: 6.8 million
- Percentage of active customers using QNB Mobile: 85%
- Percentage of financial transactions through individual digital channels: 96.2%
- Digital Solutions Offered to SMEs through Digital Bridge: 20+
- Number of Corporate Digital Banking customers reached via Digital Bridge: 300 thousand+
- Number of awards received by Digital Bridge in 2024: 7 prestigious international awards
- Digital Bridge Academy new blog posts: 33
- QNB Türkiye website sustainability blog posts: 39
- Increase in the use of digital payment systems: 126%
- Percentage of digital statement use: 95%
- Increase in credit card QR payments: 3.58 fold
- Increase in credit card NFC payments: 0.72 fold
- Digital Intelligence Q reactive customer understanding rate: 98%
- Number of Enpara.com individual customers: 7.2 million
- Number of Enpara.com SME customers: 260,000
- Enpara.com Net Promoter Score: 77.5%

- Headquarters at Crystal Tower
- 2 operation centers
- 13 regional offices
- Total: 427 branches (1 in Bahrain)
- Number of ATMs with responsive surface feature: 1,500
- Number of ATMs accessible to customers with orthopedic disabilities: 131
- ISO 50001 Energy Management System
- ISO 14001 Environmental Management System
- ISO 27001 Information Security Management System
- Zero Waste Certificate
- QNB Finansal Kiralama A.Ş.
- QNB Yatırım Menkul Değerler A.Ş.
- QNB Portföy Yönetimi A.Ş.
- QNB Faktoring A.Ş.
- QNB Varlık Kiralama Şirketi A.Ş.
- QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş.
- QNB EYOND Ventures B.V.
- IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş.
- QNB eSolutions Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.
- Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.

- Supported corporate memberships and initiatives: 28
- Total number of customers: 11,158,866
- Net Promoter Score: 52.7
- Earthquake Fund: USD 107.5 million with EBRD and USD 110 million with IFC
- Number of children reached with Tiny Hands Big Dreams Platform: 750,000+
- Number of children offered sustainability awareness training with Kral Şakir: 100,000+
- Number of children offered climate education in collaboration with TEGV: 632
- Number of children offered climate education in collaboration with WWF and the Ministry of National Education: 10,000
- Membership in the 30 Percent Club
- Total amount of social investments: 15.5 million TL
- Bloomberg Gender Equality Score: 6.14/10
- Percentage of local suppliers: 95.5%
- Percentage of local suppliers in procurement: 98.9%

- Number of employees: 11,949
- Number of employees including subsidiaries: 14,541
- Ratio of female employees: 59.29%
- Ratio of newly recruited female employees: 59.92%
- Ratio of women in senior management: 23.53%
- Ratio of women who were promoted: 63.81%
- Ratio of women on the Board of Directors: 27.27%
- Targeted wage gap ratio: 25.5% in 2025, 25% in 2026
- Paternity leave: 20 days
- Total training hours: 833,762
- Ratio of employees subjected to regular performance and career development assessments: 90%
- Employee turnover rate: 22%
- Ratio of employees participating in employee satisfaction survey: 83%
- Ratio of employees benefiting from trainings during the year: 100%
- Number of OHS committees: 4
- Number of employees completing the OHS basic training: 5,645

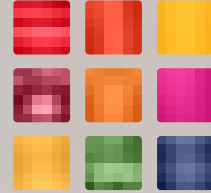
- Sustainability syndication loan: USD 400 million
- Amount of syndication loans linked to sustainability - only bank in the industry to borrow with a 3-year maturity: USD 650 million
- Sustainable Eurobond issuance: USD 500 million
- Türkiye's first blue bond issuance: USD 125 million
- Financing provided to renewable energy resources: USD 301 million
- Installed capacity of the financed renewable energy projects: 1,472 MW
- Green and social loan portfolio size: USD 1.8 billion
- CDP Climate Change Score: A
- CDP Water Security Score: A
- Scope 1 emissions: 15,238 tCO₂e
- Scope 2 emissions: 0 tCO₂e
- Scope 3 emissions: 20,446 tCO₂e
- Emission intensity per employee: 1.05 tCO₂/e
- Total electricity consumption: 207,429 GJ, (QNB Türkiye: 207,429 GJ, Consolidated 212,916,20 GJ)
- Total amount of waste: 200 tons
- Total amount of recycled waste: 192 tons
- Transition to Zero Waste initiative: 295 branches
- Decrease in operational emissions: 71% (base year 2017)
- Number of projects realized according to the ESRA Model: 24
- Percentage of corporate loans subject to the ESRA Model: 13.6%
- Amount of paper saved: 80 million paper sheets

Value Created

Connection with SDGs



- Significant contribution to the sustainable development of our national economy by financially supporting individuals and the real sector
- Financial value created through green loans in the transition to a low carbon economy
- Allocating funding for sustainability in light of the United Nations Sustainable Development Goals
- Sustainable financial profitability achieved through countrywide banking activities
- Ensuring access to financial services for all sections of society and promoting their participation in the economy
- Contributing to employment



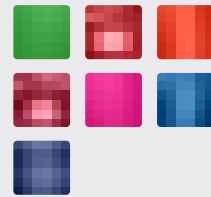
- Offering uninterrupted banking services 24/7
- Simplifying the financial lives of all customers
- Improving customer satisfaction and experience
- Offering customers tailor-made products and services
- Increasing operational efficiency in business processes through digitalization
- Managing decision-making processes faster and more effectively
- Minimizing environmental impact and operational risks through digitalized processes



- Increasing nationwide access to financial services for the public
- Reaching each segment of the public with an inclusive approach
- Supporting barrier-free life
- Meeting the financial needs of all customers through diverse channels



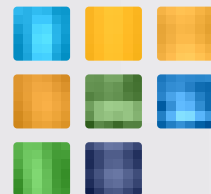
- Strengthening communication and increasing interactions with stakeholders
- Expanding the impact area in the sustainability ecosystem through corporate memberships
- Generating satisfaction by responding to the needs, problems, and suggestions of customers
- Contributing to the education level of the public
- Contributing to the social and cultural development of the public
- Supporting education, culture and arts
- Supporting the improvement of the welfare of the public through donations and aids
- Ensuring the sustainability of the supply chain



- Ensuring that the QNB culture is passed down to next generation
- Contribution to the Turkish banking industry with the employment opportunities created
- Strengthening the engagement of human resources through practices promoting employee satisfaction
- Improving the competencies of employees with career development opportunities
- Reinforcing the strong employer profile of QNB Türkiye



- Developing an environmental approach to combating climate change that sets an example to other organizations in the industry
- Ensuring the sustainable management of natural resources
- Minimizing the environmental footprint
- Promoting environmental awareness
- Supporting the transition to a low carbon economy through sustainable and green loans
- Contributing to the popularization of Zero Waste initiative
- Contributing to the circular economy through digitalization and paperless banking practices



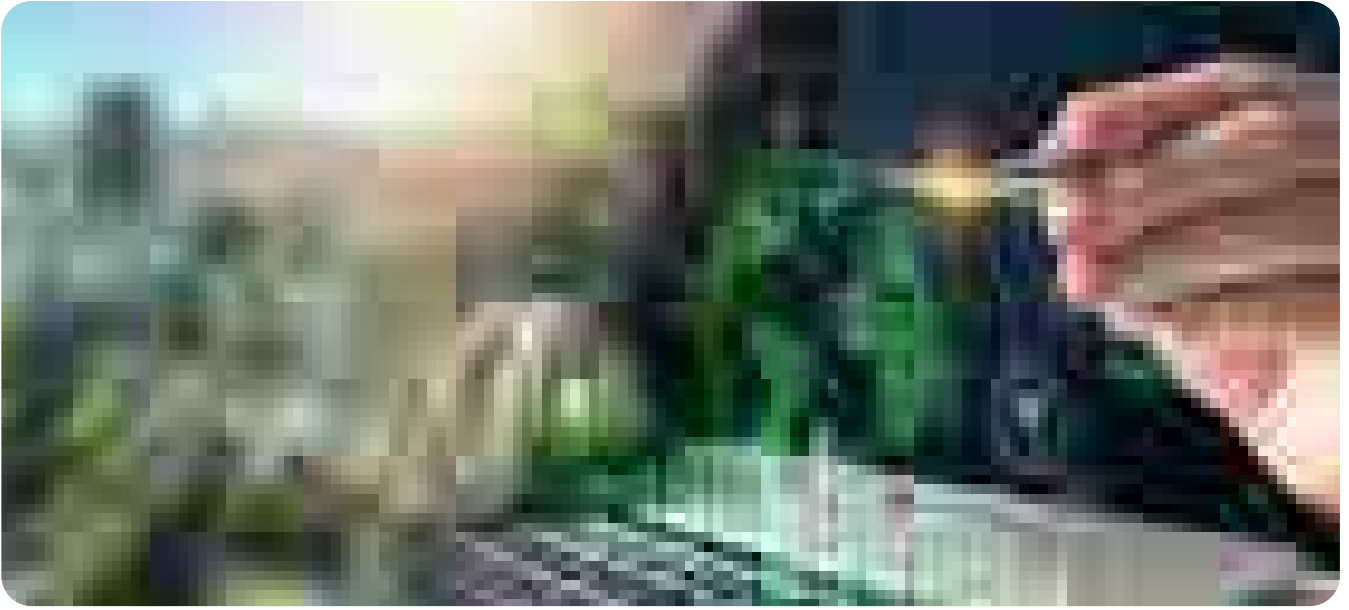
QNB Bank A.Ş. pursues a growth strategy that is both sustainable and profitable, aiming to become one of Türkiye's leading banks. The Bank monitors the interaction between its financial and non-financial resources through clear indicators to measure the value it creates in economic, environmental, and social areas.

In 2024, QNB Bank A.Ş. presents how it adds value to all its stakeholders through financial capital, intellectual capital, produced capital, social and relational capital, human capital, and natural capital in its "Value Creation Model."



Sustainability Strategy

QNB Türkiye's sustainability roadmap focuses on four main impact areas: "Green Transformation," "Responsible Transformation," "Operational Transformation" and "Transformation of Employee."



QNB Group Sustainability Framework

QNB Group defines sustainability as creating long-term positive value for all stakeholders, especially customers, shareholders, employees, and society, in financial, environmental, social, and human dimensions. The Group integrates this vision into its corporate culture and operates with the awareness of the contribution it can make to society as a financial institution. QNB Türkiye places environmental, social, and governance (ESG) issues at the heart of its business conduct through its commercial operations, financing strategies, and social responsibility projects.

The QNB Group's sustainability framework is centered around three building blocks: "Sustainable Finance," "Sustainable Operations," and "Beyond Banking." Adopting this framework, QNB Türkiye has created the "QNB Türkiye Sustainability Roadmap." In line with this strategy, the Bank aims to reduce its risks, create new business opportunities, strengthen its brand perception, and achieve sustainable financial performance. Under each building block, detailed action plans are implemented to improve sustainability performance, contributing to the Bank's long-term success.

QNB Türkiye places environmental, social, and governance (ESG) issues at the heart of its business conduct through its commercial operations, financing strategies, and social responsibility projects.



QNB Türkiye Sustainability Roadmap

Sustainability is one of the most important strategic focal points for QNB Türkiye. The bank defines sustainability as a transformation journey that starts from its own activities and extends to all its stakeholders.

With its sustainability vision, QNB Türkiye aims to integrate with the world in humanitarian, environmental, economic, and social terms and fulfill its responsibilities for the welfare of the global ecosystem.

In line with this purpose, QNB Türkiye contributes to the fight against climate change, supports gender equality, carries out social responsibility projects that prioritize children’s rights, facilitates unlimited access to information, and works to ensure equal opportunities in education. Pioneering works in the field of digital banking, it contributes to uninterrupted access to financial services. As a financial institution, QNB Türkiye aims to create a more sustainable world by supporting clean and inclusive economic development.

QNB Türkiye’s sustainability roadmap focuses on four main impact areas: “Green Transformation,” “Responsible Transformation,” “Operational Transformation” and “Transformation of Employee.” The first two impact areas, Green Transformation and Responsible Transformation, focus on the sustainable transformation of customers; while the other two, Operational Transformation and Transformation of Employee focus on the sustainability of the Bank’s own activities. Priority issues, possible risks and opportunities, performance indicators, and related Sustainable Development Goals have been determined for each impact area.

Sustainable Finance

QNB Türkiye integrates ESG criteria into its financing activities within the scope of its sustainable finance approach. The main purpose of the Bank is to support customers in managing environmental and social risks, to provide financing to businesses that contribute to sustainable development, to facilitate access to finance for SMEs and individuals and companies with limited access to financial services, and to provide responsible service to customers.




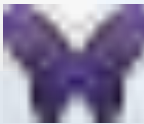
Sustainable Operations

QNB Türkiye integrates ethical principles and ESG criteria into all its operational processes. The Bank aims to further strengthen its Corporate Governance and risk management structure, support equality and diversity in the field of human resources, and minimize carbon emissions.

Beyond Banking

QNB Türkiye aims to increase the added value created by its social responsibility activities and contribute to social welfare.



	Sustainable Finance		Beyond Banking		Sustainable Operations	
	Transformation of Customers			Transformation of QNB Türkiye		
Climate Change	Green Transformation 	<ul style="list-style-type: none"> Combating Climate Change and Environmental Compliance ESG Impact on Credit Facility and Sustainable Finance 	Operational Transformation 	<ul style="list-style-type: none"> Operational Excellence and Business Continuity Digital Transformation and Innovation Environmental Footprint Reduction and Impact Management Sustainable Value Chain Management 		
Social Development	Responsible Transformation 	<ul style="list-style-type: none"> Financial Inclusion and Financial Literacy Customer Experience and Satisfaction 	Transformation of Employee 	<ul style="list-style-type: none"> Talent Management and Employee Wellbeing Social and Community Investment Equal Opportunity, Diversity and Gender Equality 		



Sustainability Governance

QNB Türkiye has a multi-layered and participatory management structure to ensure the integration of environmental, social, and governance (ESG) objectives into all its processes.

QNB Türkiye has a multi-layered and participatory management structure to ensure the integration of environmental, social, and governance (ESG) objectives into all its processes. The Bank's Sustainability Governance Framework is the main guide in the field of sustainability and is supported by relevant guides, procedures, and memberships in local and global sustainability initiatives.

The Sustainability Committee convenes at least twice a year and creates a strategic road map of the Bank's sustainability activities. The Sustainability Committee is the decision-making body on all matters related to the Bank's sustainability performance. Every member of the Sustainability Committee evaluates climate and sustainability-related issues in their fields of expertise. The Sustainability Committee discusses the developments on global or national issues related to climate change and sustainability.

The Sustainability Committee reports important risks and opportunities that may have an impact on the Bank to the Board of Directors through the Corporate Governance Committee. The Sustainability Committee reports to the Board of Directors and Corporate Governance Committee about the sustainability strategy and performance at least once a year. The Chief Risk Officer attends the Sustainability Committee meetings as an observer.

The Committee convened twice in 2024 and has taken 28 resolutions in total. These resolutions include, in consideration of the Bank's sustainability priorities, the ones related to QNB Türkiye's net zero road map, its endeavors in the field of sustainable finance, its sustainable borrowings, its endeavors focused on

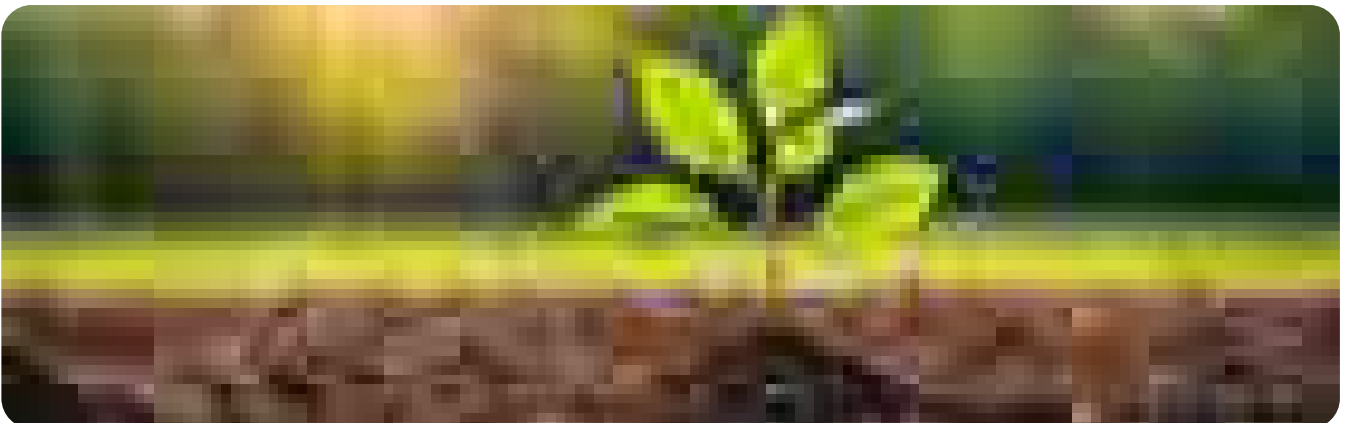
inclusion, diversity, and equality, its sustainability-focused corporate social responsibility efforts, and the reduction of emissions from its operations, as well as the ones to ensure compliance with local and global reporting standards.

You can access detailed information on the Sustainability Committee under the Corporate Governance Section, **Committees Operating Under the heading Board of Directors and Other Committees.**

The competencies and expertise of QNB Türkiye Board Members meet the requirements of the Banking Law. In addition to the Banking Law, the environmental competencies of the members are also taken into account in the Board of Directors selection criteria. Sustainability-related responsibilities are included in the job descriptions and key performance indicators (KPI) of the CEO and C-level managers at the Bank. Annual incentives are applied depending on the realization of the relevant KPIs.

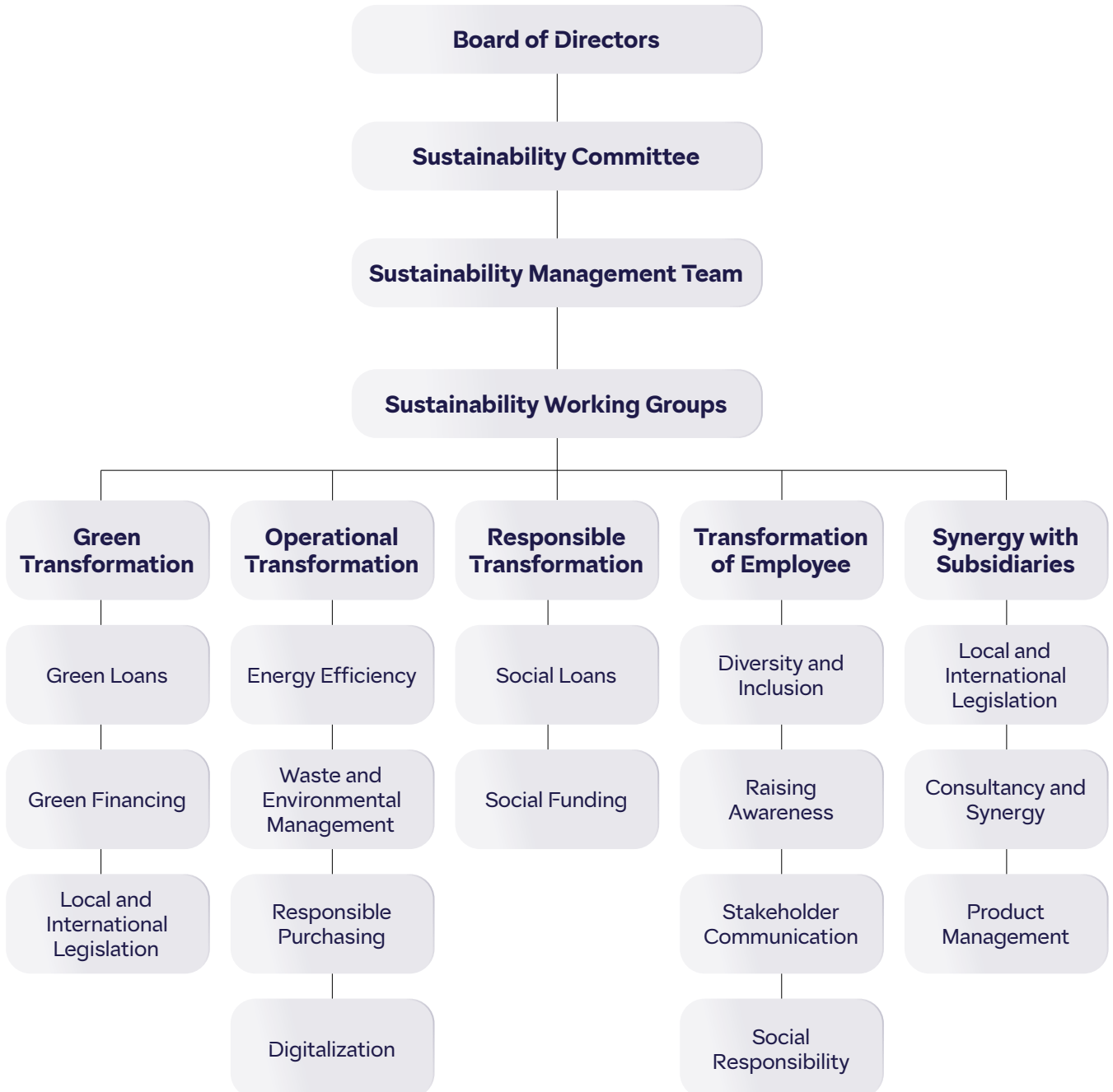
The Sustainability Management Team is responsible for the coordination of sustainability activities and Sustainability Working Groups, tracking performance against targets, and consolidation of sustainability data. The Sustainability Team evaluates activities in terms of sustainability objectives and carries out internal and external communication activities regarding sustainability issues.

Sustainability Working Groups create and execute sustainability-related projects according to their areas of expertise. Sustainability Working Groups are responsible for implementing the strategy determined by the Sustainability Committee and working with the Sustainability Management Team.





QNB Türkiye Sustainability Management Structure



For more information about the sustainability management framework, please see [QNB Türkiye Sustainability Policy](#).



Priority Issues and Prioritization Analysis

QNB Türkiye adopts an approach that continuously develops its priority issues by taking into account the expectations of its stakeholders.

During the preparation of the 2024 Integrated Annual Report, the comprehensive prioritization assessment carried out in 2022 was reviewed. Within this context, the Bank's strategies, stakeholder expectations, legal requirements, Global Reporting Initiative Standards (GRI), UNEP FI Responsible Banking Principles, Banking Regulation and Supervision Agency (BDDK) Sustainable Banking Strategy Document, Turkish Banking Association (TBB) Sustainability Guide for the Banking Sector, SASB Standards, and various rating agencies have been analyzed. As a result of the study, the names of 7 of the existing priority issues were revised and no new topics were added.

Building Blocks, Basic Principles and Priorities

Of the 15 topics identified within the scope of the prioritization analysis, 4 are called the "Key Sustainability Principles." These issues are not prioritized because they are equally important fundamental elements that must be achieved under all circumstances in terms of sustainability for QNB Türkiye.





QNB Group Key Sustainability Principles

- 1** Corporate Governance and Risk Management
- 2** Legal Compliance and Business Ethics
- 3** Sustainable Financial Performance
- 4** Cyber Security and Customer

Very Highly Prioritized

- 5** Customer Experience and Satisfaction
- 6** Talent Management and Employee Wellbeing
- 7** Combating Climate Change and Environmental Compliance
- 8** Operational Excellence and Business Continuity

Highly Prioritized

- 9** ESG Impact on Lending and Sustainable Finance
- 10** Digital Transformation and Innovation
- 11** Financial Inclusion and Financial Literacy
- 12** Environmental Footprint Reduction and Impact Management

Prioritized

- 13** Equal Opportunity, Diversity and Gender Equality
- 14** Social and Community Investment
- 15** Sustainable Value Chain



Sustainable Development Goals We Contribute to

QNB Türkiye contributes to the Sustainable Development Goals through its work on each of its priority issues.

Strategic Focus	Priority Issue	SDG	Related Capital
QNB Key Sustainability Principles	Corporate Governance and Risk Management	 	Social Capital, Intellectual Capital
	Legal Compliance and Business Ethics	 	
	Sustainable Financial Performance		Financial Capital
	Cybersecurity and Customer Privacy		Intellectual Capital
Green Transformation	Combating Climate Change and Environmental Compliance	     	Intellectual Capital
	Products and Services Supporting the Transformation Economy	     	Natural Capital, Financial Capital



Strategic Focus	Priority Issue	SDG	Related Capital
Responsible Transformation	Customer Experience and Satisfaction		Social Capital
	Financial Inclusion and Financial Literacy	 	
Operational Transformation	Digital Transformation and Innovation		Intellectual Capital
	Operational Excellence and Business Continuity		
	Environmental Footprint Reduction and Impact Management	 	Natural Capital
	Sustainable Value Chain Management		Social Capital
Transformation of Employee	Equal Opportunity, Diversity and Gender Equality	 	Human Capital
	Talent Management, Planning and Employee Wellbeing		
	Social and Community Investments	 	Social Capital



Stakeholder Engagement and Communication

QNB Türkiye aims to establish open, honest, and transparent communication with all stakeholders and uses a variety of methods and communication channels to this end.

QNB Türkiye aims to establish open, honest, and transparent communication with all stakeholders and uses a variety of methods and communication channels to this end. The opinions and feedback obtained are considered an important source in shaping the Bank's strategies. As of 2024, the Bank formed teams that bring together different business groups and developed a system that increases working efficiency through regular meetings, face-to-face communication, and project follow-up in order to establish a stronger bond with stakeholders.

Emphasizing the significance of sharing its activities carried out with an inclusive sustainability approach with the public, QNB Türkiye has created a page dedicated to sustainability on its corporate website. On this page, all the steps taken by the Bank in the field of sustainability, from responsible products and services to local and global collaborations, from corporate social responsibility projects to projects carried out with its subsidiaries, are shared transparently.

QNB Türkiye considers media as an effective communication tool and uses it actively. In total, it has more than 1.1 million followers on social media platforms such as LinkedIn, Facebook, Instagram, TikTok, YouTube, and X. The Bank's social media accounts can be accessed at <https://www.qnb.com.tr/destek/iletisim/sosyal-medya-hesaplarimiz>.

QNB Türkiye believes that building a strong relationship with stakeholders is the key to success in the sector. To this end, QNB Türkiye supports various initiatives and increases collaboration through corporate memberships. You can find detailed information about the Bank's corporate memberships in the **Corporate Memberships and Supported Initiatives** section of the report.

Our Key Stakeholders	Why Is It Important for QNB Türkiye?	Communication Channels	Communication Frequency	
Management	QNB Türkiye achieves its strategic goals thanks to its senior management, which manages its day-to-day operations and makes decisions that directly affect its financial performance.	<ul style="list-style-type: none"> • Annual Reports and Performance Presentations • Internal Communication (E-mail, Intranet, announcements) • Committee Meetings 	Continuous	
Customers	QNB Türkiye accomplishes its corporate strategy in line with our mission of achieving the highest level of customer satisfaction. The Bank provides the financing of the growth strategy with its diverse and broad customer base.	<ul style="list-style-type: none"> • Customer Solution Center Communication Channels • QNB Türkiye Corporate Website • Mobile and Online Banking Channels • Call Center • Corporate Social Media Accounts • Branches • Digital Bridge Solutions Center • SME Banking Service (SME Cloud) • Calls by Sales Support Representatives 	Continuous	



Key Stakeholder Groups



Internal Stakeholders

- Management
- Shareholders and Investors
- Employees

External Stakeholders

- Customers
- Suppliers
- Public Institutions
- Non-Governmental Organizations
- National and International Financial Institutions
- Media
- Rating Agencies
- Sectoral Associations and Organizations
- Regulatory and Supervisory Authorities
- Society and Local Communities
- Universities and Academics
- Analysts

	Needs and Expectations	QNB Türkiye's Response to Expectations	Related Capital
	<ul style="list-style-type: none"> • Sustainable profitable growth and operational efficiency • Effective risk management • Compliance with legal regulations • Customer satisfaction-oriented innovative solutions, digitalization, and innovation • Data-driven reporting, fast access to information, and transparency 	<p>QNB Türkiye focuses on strong financial performance, effective risk management, and sustainable growth strategies. It prioritizes efficiency and aims for operational excellence to maximize growth. It also adopts Corporate Governance principles in line with international standards and demonstrates a transparent management approach. It maintains its competitive advantage by adapting quickly to market conditions and ensures continuous development through innovation investments. By bringing all these elements together, the Bank not only meets the expectations of its management but also strengthens its position as a reliable and reputable financial institution.</p>	<p>Financial Capital, Human Capital, Social-relational Capital, Intellectual Capital, Produced Capital, Natural Capital</p>
	<ul style="list-style-type: none"> • Quality Service and Satisfaction • Easy to Use Products and Services • Transparency and Accountability 	<p>In line with its mission, QNB Türkiye, by understanding the needs of its stakeholders, strives to find the right solutions and create the highest level of customer satisfaction. To this end, the Bank aims to offer the best customer experience through all channels. The Bank offers different products and services to customers and meets with them through online channels, mobile applications, face-to-face banking services, and various meetings</p>	<p>Financial Capital, Social-Relational Capital, Intellectual Capital, Produced Capital, Natural Capital</p>



Stakeholder Engagement and Communication

QNB Türkiye believes that building a strong relationship with stakeholders is the key to success in the sector. To this end, QNB Türkiye supports various initiatives and increases collaboration through corporate memberships.

Our Key Stakeholders	Why Is It Important for QNB Türkiye?	Communication Channels	Communication Frequency	
Employees	QNB Türkiye regards its human resources as its most valuable capital. The Bank contributes to sustainable development with its qualified labor force.	<ul style="list-style-type: none"> Employee Internal Communication Platform Employee Loyalty Survey Artı1 Appreciation and Recognition System Leap Employee Support Program Ombudsman Hotline (Inspection Board) Training and Development Programs Finclub Life Workshop Events Finarmoni Education Portal 	Continuous	
Shareholders and Investors	Shareholders and investors of QNB Türkiye provide financial strength to the Bank. The Bank creates a positive corporate reputation through mutual value creation understanding.	<ul style="list-style-type: none"> Activities of the Investor Relations Unit Integrated Annual Reports Investor Interviews Investor Meetings Public Disclosure Platform (KAP) Notifications 	Annual and Quarterly	
Public Institutions	QNB Türkiye follows the new regulations and carries out its reporting in accordance with the laws and regulations. The Bank shares information with public institutions.	<ul style="list-style-type: none"> Audits Regular Reporting Activities Regular Meetings Conferences 	As Required	
NGOs	QNB Türkiye realizes its social investments and fulfills its social responsibilities in collaboration with the non-governmental organizations it supports.	<ul style="list-style-type: none"> Social Responsibility Projects Sponsorships "Volunteer Program" Annual Reports Membership in Local and Global Initiatives 	As Required	
National and International Financial Institutions	National and International Financial Institutions, in order to ensure the sustainable growth of the Bank, offer comprehensive financing packages.	<ul style="list-style-type: none"> Meetings Presentations Conferences and Trainings Annual Reports 	Continuous	
Media	QNB Türkiye is in contact with many media institutions to transparently share developments with the public, follow current developments, and receive information about other institutions and organizations in the sector.	<ul style="list-style-type: none"> QNB Türkiye Corporate Website Press Releases Postings Annual Reports Corporate Social Responsibility Activities 	As Required	
Suppliers	QNB Türkiye implements practices to ensure sustainable change through long-term supplier relationships.	<ul style="list-style-type: none"> Meetings Purchasing Processes (Tenders, etc.) Audits 	As Required	



	Needs and Expectations	QNB Türkiye's Response to Expectations	Related Capital
	<ul style="list-style-type: none"> Professional Development Justice and Equal Opportunity Work-Life Balance 	<p>QNB Türkiye carefully selects its employees and invests in their professional and personal development. Various trainings are organized to enhance employee development by increasing their technical and management knowledge and skills. The Bank attaches importance to employee satisfaction, communicates with employees through various channels, and receives their opinions.</p>	Human Capital
	<ul style="list-style-type: none"> Stock Performance Operational and Financial Performance Strong Corporate Governance, Risk Management Structure Successful Rating Results Transparency and Public Disclosure 	<p>QNB Türkiye considers providing information to shareholders as its fundamental responsibility. Shareholders' requests for information are directed to the Investment Relations Department as quickly as possible and the Public Disclosure Platform and the corporate website are actively used for the necessary information. Ordinary General Assembly Meetings are held regularly.</p>	Financial Capital
	<ul style="list-style-type: none"> Compliance with Applicable Legal Regulations Strong Anti-Bribery and Corruption Precautions Strong Risk Management and Governance Structure 	<p>QNB Türkiye carries out all its reporting and activities with a compliance perspective.</p>	Financial Capital, Social-Relational Capital
	<ul style="list-style-type: none"> Positive contribution to the solution of the problems encountered by society 	<p>QNB Türkiye carries out joint projects with many non-governmental organizations to create social value.</p>	Social-Relational Capital, Intellectual Capital, Natural Capital
	<ul style="list-style-type: none"> Transparency and Public Disclosure Strong financial and corporate governance infrastructure 	<p>QNB Türkiye strives to fulfill the environmental and social performance criteria of its stakeholders. The Bank fulfills its responsibilities and makes regular reports to explain the relevant procedure.</p>	Financial Capital, Social-Relational Capital, Intellectual Capital
	<ul style="list-style-type: none"> Transparency, accountability and public disclosure Identification of financial, environmental, and social risks and opportunities Making a positive contribution to society 	<p>QNB Türkiye performs corporate disclosures quickly and reliably through various media channels.</p>	Social-Relational Capital
	<ul style="list-style-type: none"> Fair and Transparent Tender Process New Business Opportunities 	<p>QNB Türkiye establishes long-term relationships with its suppliers equivalent to its corporate ethical values.</p>	Social-Relational Capital, Financial Capital



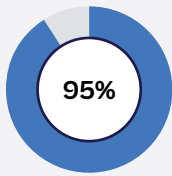
Sustainability Training

In 2024, QNB Türkiye aimed to raise awareness by assigning trainings on sustainability and climate action to all employees.

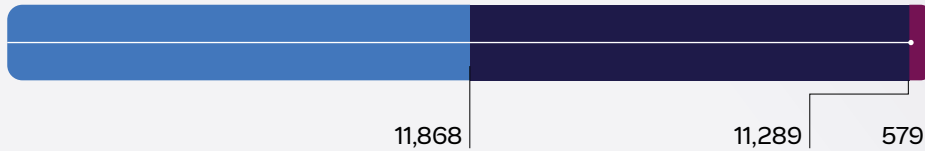
The main tool for integrating sustainability into business strategies and decision-making at QNB Türkiye is the trainings on sustainability and climate action assigned to employees and managers at all levels.

In 2024, the following trainings were assigned to all employees of the Bank (including subsidiary companies) via Finarmoni, an online training platform on sustainability and the environment within QNB Türkiye, in order to raise awareness.

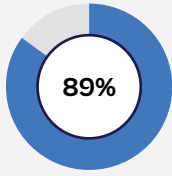
Zero Waste and Environmental Awareness Training



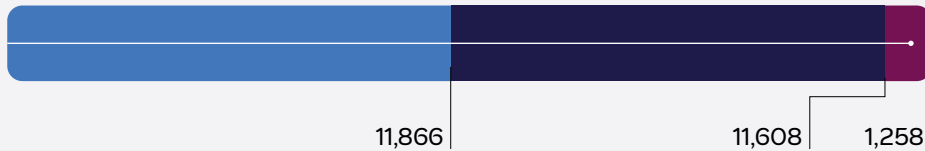
Completion Rate



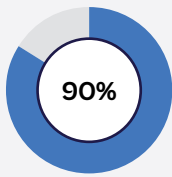
ISO 50001:2018 Energy Management System Training



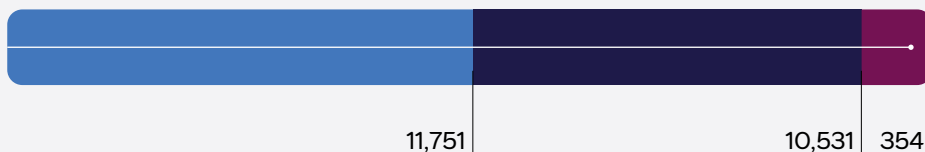
Completion Rate



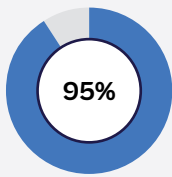
TBB Basic Sustainability Training



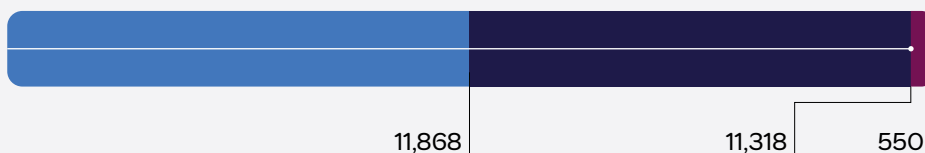
Completion Rate



ISO 14001 Environmental Management System Training



Completion Rate



- Number of Employees Assigned to Training
- Number of Employees Completing the Training
- Number of Employees Not Completing the Training



In addition, the Sustainability management team participated in the following training programs in 2024 to support their professional development.



Green Asset Ratio and Green Capital Markets and Products (Banks Association of Türkiye)



ISO 50001 Energy Management System Internal Auditor (Apollo)

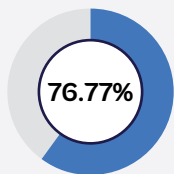


ISO 14001 Environmental Management System Internal Inspector (Sentez Consulting)

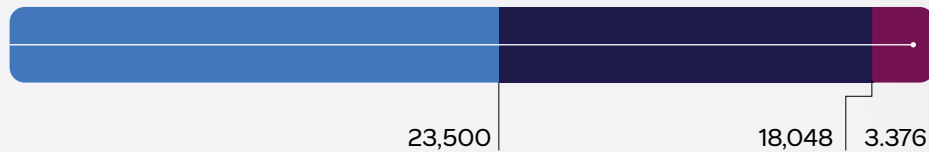
In addition to e-trainings and certifications, a half-day Climate Finance Market training open to the participation of the entire Bank was organized within the scope of the 2024 Development Catalog.

The Bank also organized various training activities to raise awareness for the gender equality issues. Gender Equality E-training was assigned to all employees via Finarmoni.

Gender Equality Training



Completion Rate



● Number of Employees Assigned to Training

● Number of Employees Completing the Training

● Number of Employees Not Completing the Training

In 2024, “Breaking Unconscious Bias” and “Preventing Harassment” trainings were assigned to all employees as mandatory training.



Corporate Memberships and Supported Initiatives

QNB Türkiye supports national and international initiatives and increases the number of its voluntary commitments in the field of sustainability every day.

QNB Türkiye attaches importance to developing collaborations with national and international initiatives that will carry its sustainability performance to higher levels. The Bank supports national and international initiatives and increases the number of its voluntary commitments in the field of sustainability every day.

United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a global call to action consisting of 17 goals that the United Nations (UN) set in 2015 and aims to achieve worldwide by 2030. Aiming to be an important solution partner for global problems, QNB Türkiye matches the outputs of its activities with the UN SDGs and demonstrates the value it creates for its stakeholders.

United Nations Global Compact

The United Nations Global Compact (UNGC) is the world's largest corporate sustainability initiative consisting of ten core principles on human rights, labor standards, environment, and anti-corruption. By joining the UNGC in 2019, QNB Türkiye committed to making these ten principles a part of its strategy, culture, and daily activities. In 2020, the Bank once again showed its support for the United Nations by signing the CEO Declaration for Renewed Global Cooperation, commemorating the 75th anniversary of the founding of the United Nations. QNB Türkiye also became a member of the Global Compact Signatories Association, which was established in May 2023 to carry out UNGC activities in Türkiye.

Carbon Disclosure Project

The Carbon Disclosure Project (CDP), the world's most widely participated environmental reporting platform, provides up-to-date information on companies' performance in reducing their climate impact. QNB Türkiye has been transparently sharing its environmental goals and performance with its stakeholders under the CDP Climate Change Programme since 2021. In 2024, with its high performance in the CDP Climate Change and Water Security Programs, the Bank has earned a spot on the Global A List, demonstrating outstanding performance in both programs. The bank has further strengthened its global leadership in environmental responsibility.

United Nations (UN) Women's Empowerment Principles

The Women's Empowerment Principles (WEPs) is an initiative that provides guidance to achieve gender equality in the economy and support women's empowerment in society. As a signatory of the WEPs in 2021, QNB Türkiye has made a commitment to comply with 7 principles to create practices that will ensure gender equality.

Bloomberg Gender Equality Index

The Bloomberg Gender Equality Index (GEI) is one of the most comprehensive methodologies in the world to measure the performance of companies committed to gender equality. Reporting its data on gender equality, in 2024, QNB Türkiye's Bloomberg GEI score is 6.14 out of 10.

Business World and Sustainable Development Association

Business Council for Sustainable Development (BCSD Türkiye) works with Türkiye's leading companies in sustainability within the framework of the UN Sustainable Development Goals to increase the awareness and impact of the business world on sustainable development. QNB Türkiye became a member of BCSD Türkiye in 2022.



Global Reporting Initiative

The Global Reporting Initiative (GRI) is an international organization established to provide a global common language in sustainability reporting and to enable organizations to report their sustainability impacts. QNB Türkiye has been reporting its sustainability performance in accordance with GRI Sustainability Reporting Standards since 2018.

30 Percent Club Türkiye

Hosted by Sabancı University Corporate Governance Forum, the 30 Percent Club is a collaboration platform where senior executives come together to improve gender balance at all levels and increase the representation of women on boards. QNB Türkiye joined the platform in 2024.

Integrated Reporting Association Türkiye

The Integrated Reporting Association Türkiye (ERTA) is an organization that supports the adoption and dissemination of integrated thinking and integrated reporting in Türkiye. Its main objective is to contribute to the transparent reporting of financial and non-financial information by encouraging organizations to create sustainable value. QNB Türkiye became a member of the association in 2024.

Partnership for Carbon Accounting Financials

“The Partnership for Carbon Accounting Financials” (PCAF) is a global collaborative initiative established in 2015 by financial institutions worldwide to measure their carbon emissions and align their portfolios with net zero goals in line with the Paris Climate Agreement. QNB Türkiye became a signatory of the “Partnership for Carbon Accounting Financials” (PCAF) in 2024 under the roof of the QNB Group. With this membership, the Bank aims to increase its environmental transparency by measuring emissions from its loans and investments in compliance with international standards.

QNB Türkiye is aware of the importance of collaborations to fulfill the common goals of the sector in which it operates. To this end, the Bank closely monitors global developments, undertakes international initiatives, and works to create sustainable solutions to global problems. Organizations and associations of which the Bank is a member;

- The Banks Association of Türkiye (TBB)
- Interbank Card Center (BKM)
- Kredi Kayıt Bürosu (KKB)
- Turkish Capital Markets Association (TSPB)
- International Investors Association (YASED)
- International Financial Institutions (IFI)
- International Chamber of Commerce Türkiye National Committee
- International Chamber of Commerce Türkiye
- Supply Chain Management Association (TEDAR)
- Corporate Governance Association of Türkiye (TKYD)
- Integrated Reporting Türkiye Association (ERTA)
- Business Council for Sustainable Development Türkiye (BCSD Türkiye)
- United Nations Global Compact
- Global Compact Signatories Association
- Foundation for Contemporary Education (ÇEV)
- Darüşşafaka Society
- Educational Volunteers Foundation of Türkiye (TEGV)
- Turkish Education Association (TED)
- Turkish Education Foundation (TEV)
- Community Volunteers Foundation (TOG)
- Association of Private Sector Volunteers
- Financial Literacy Association (FODER)
- International Women’s Forum Türkiye (IWF)
- 30 Percent Club Türkiye
- Yanındayız Association
- YenidenBiz Association
- World Wildlife Foundation (WWF) Türkiye



Sustainability Milestones

In 2024, QNB Türkiye continued to take pioneering steps that shape the future with its sustainability-oriented financial innovations and social contributions.

2017

- Two syndicated loan agreements indexed to sustainability criteria were concluded.

2018

- The Sustainability Report was released for the first time.

2019

- UN Global Compact (UNGC) was concluded.

2020

- The United Nations CEO Declaration for Renewed Global Cooperation was concluded.
- The Environmental and Social Management System was updated.

2021

- Two syndicated loan agreements indexed to sustainability criteria were concluded.
- The first green bond issuance was carried out with the European Bank for Reconstruction and Development (EBRD).
- The UN Women's Empowerment Principles (WEPs) were concluded.
- Carbon Disclosure Project (CDP) Climate Change Program reporting was started.
- All the Bank's electricity consumption was provided by renewable sources.

2022

- The first Integrated Report was published.
- New coal thermal power plants and new coal mine investment projects were added to the exclusion list.
- Digital platforms have been made climate-friendly by neutralizing carbon emissions originating from online bank channels.
- A loan worth USD 50 million was offered to women-led businesses from the European Bank for Reconstruction and Development (EBRD).
- QNB Türkiye and Barclays Bank carried out the first repo transaction in which the cost was determined depending on QNB Finansbank's energy efficiency performance. With this transaction, QNB Finansbank once again demonstrated its long-term commitment to a low carbon, eco-friendly economy.
- Within the scope of the SWAP agreement with Merrill Lynch International, an agreement was concluded to receive a refund if the Bank's electricity consumption is sourced from renewable resources.
- Two syndicated loan agreements indexed to sustainability criteria were concluded.
- Business Council for Sustainable Development (BCSD Türkiye) membership.
- A project called "Climate Protectors Are Growing Up" was implemented in collaboration with the Turkish Education Volunteers Foundation (TEGV).
- The Bank received one of the highest ratings in the Turkish financial sector by increasing its Carbon Disclosure Project (CDP) Climate Change Program rating from C to the "A-" Leadership Category.
- Three headquarter building received TÜV SÜD approved Environmental Management System certificates within the scope of TS EN ISO 14001:2015 standard.
- Three headquarter building received a Zero Waste Certificate valid for 5 years.
- "QNB Finansbank Clean Energy Index" was created to include companies traded on Borsa İstanbul.
- The Bank became an EyeBrand with the Blindlook integration, which offers a voice guidance service to facilitate the use of digital channels for visually impaired customers.
- The Bank became a supporter of the Nature Pioneers Youth Program, where WWF Türkiye and the Ministry of National Education were the project managers.



2023

- The first Integrated Annual Report was published.
- CDP Water Security reporting was made for the first time.
- The Bank participated in the 2023 Bloomberg Gender Equality Index.
- Türkiye's first Sustainable/Green Deposit product was offered to customers.
- The Green Transformation Loan Program was launched to support customers' green transformation.
- In collaboration with WTECH, the Bank supported the "Leading 100s in Technology on the 100th Anniversary of the Republic" Project and became a member of the association.
- Became a member of the Global Compact Signatories Association.
- Two Head Office Buildings (Crystal Tower and Ümraniye) received Energy Management System certification in accordance with TS EN ISO 50001 standard.
- The sustainability-linked syndicated loan was renewed by 102% in June and 108% in November.
- The Gender Equality Guidebook, which includes 'Gender Equality Sensitive Banking Principles' and 'Action Plan' prepared in collaboration with Kadir Has University, was published.
- The Small Hands Big Dreams Education Scholarship worth TL 36 million was launched in collaboration with the Turkish Education Foundation and the Turkish Education Association to support the education of children affected by the earthquake.
- A loan agreement totaling USD 220 million was concluded with EBRD, IFC, Proparco and EFSE to meet the financing needs of individuals and SMEs in earthquake-affected provinces.
- The Bank continued to support the Nature Pioneers Youth Program, a project implemented by WWF Türkiye and the Ministry of National Education, and hosted the Nature Pioneers National Youth Conference.

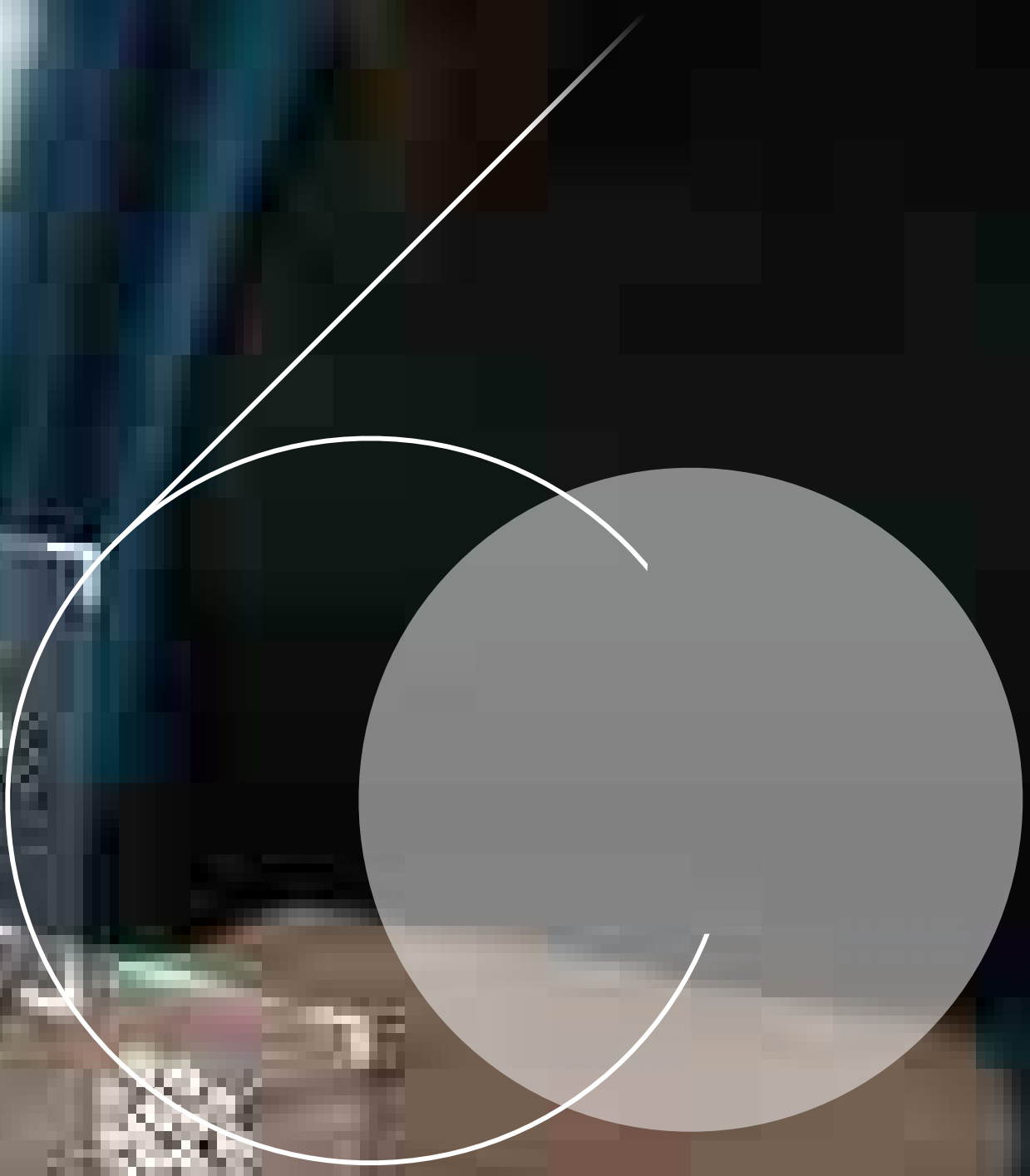
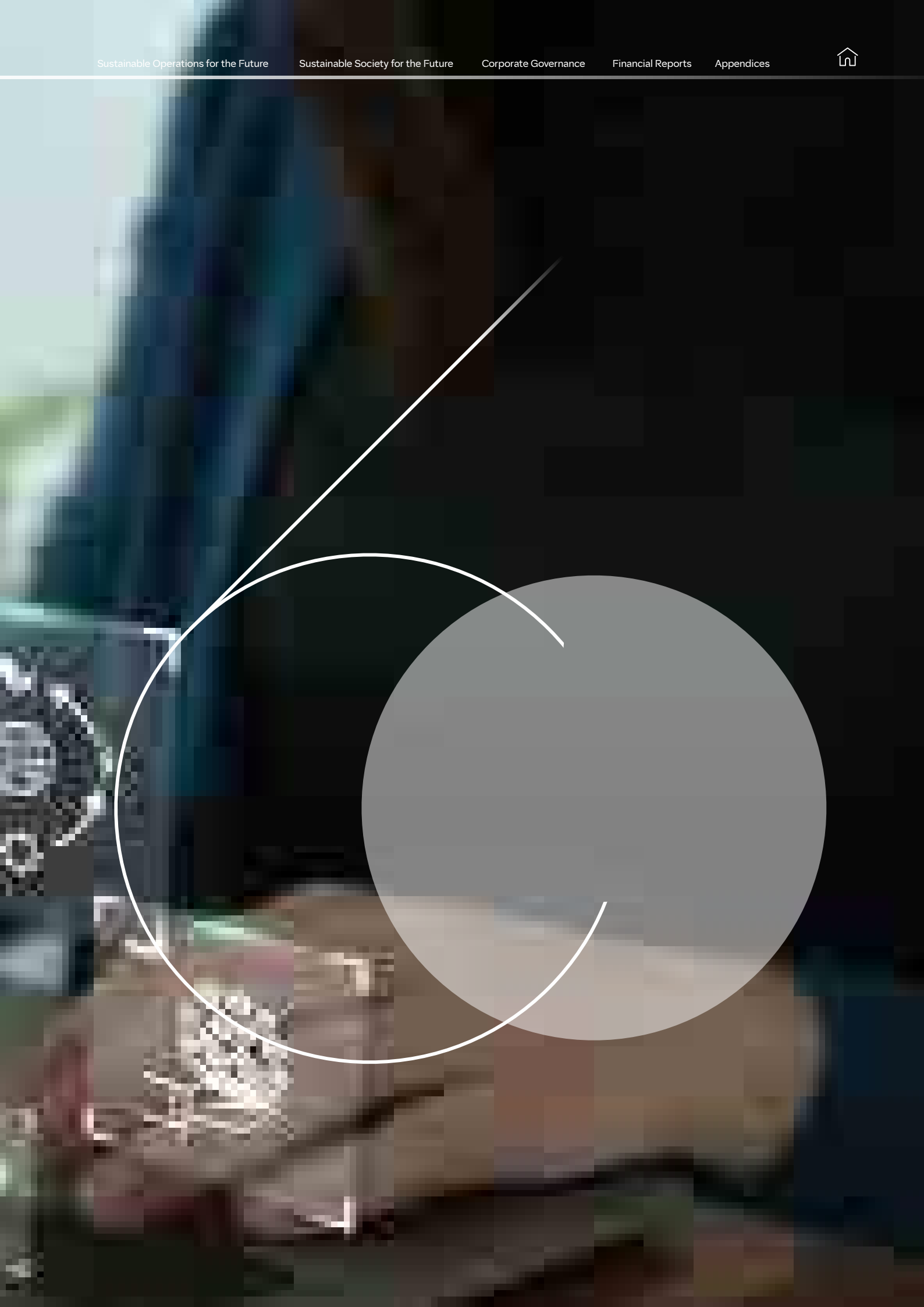
2024

- The first sustainable syndicated loan agreement amounting to USD 400 million was concluded.
- QNB Türkiye secured a three-year sustainability-linked syndicated loan of USD 650 million after a five-year break, maintaining its position as the only Turkish bank to do so since 2016.
- The first sustainable Eurobond, amounting to USD 500 million, was issued.
- Sustainable Bond with a nominal amount of USD 500 million was added to the BIST Sustainability Themed Debt Instruments Index.
- In collaboration with the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), green bonds and Türkiye's first blue bonds, totaling USD 125 million, were issued.
- The first integrated annual report was published and received five awards at the LACP Vision Awards.
- The Bank became a member of the 30 Percent Club to support increasing the representation of women on the Board of Directors.
- The QNB Group became a signatory of the "Partnership for Carbon Accounting Financials (PCAF)."
- As part of the collaboration with the Association of Women Exporters (IKADE), the "Export Academy for Women" project was implemented.
- New coal power plants, new coal mine investments, and production or trade of wood and forest products other than sustainable forestry were added to the Bank's Exclusion List. In addition, the Bank started to implement restrictions on loans for coal trade, transport, and mining, and for the production, trade, and transport of tobacco and hazardous chemicals in the SME customer portfolio.
- As part of its efforts to promote gender equality, it became one of the supporters of the Business Against Domestic Violence (BADV) project of Sabancı University Corporate Governance Forum Türkiye.
- The Loan with Lower Interest Rates as Green Increases, a financing solution for businesses that incentivizes carbon footprint reduction, was developed.
- In collaboration with QNBeyond, the first "Sustainability Hackathon" focused on "Inclusive Financing with Digitalization," and "Waste Management and Recycling" topics.
- The Bank became a member of the Integrated Reporting Association Türkiye in order to raise awareness of integrated reporting and disseminate good practices.
- In order to support SMEs in achieving their green transformation goals and provide financial products & digital solutions to SMEs, the Bank sponsored the Strategic Plan of OSBÜK Green Transformation and Sustainability Center.



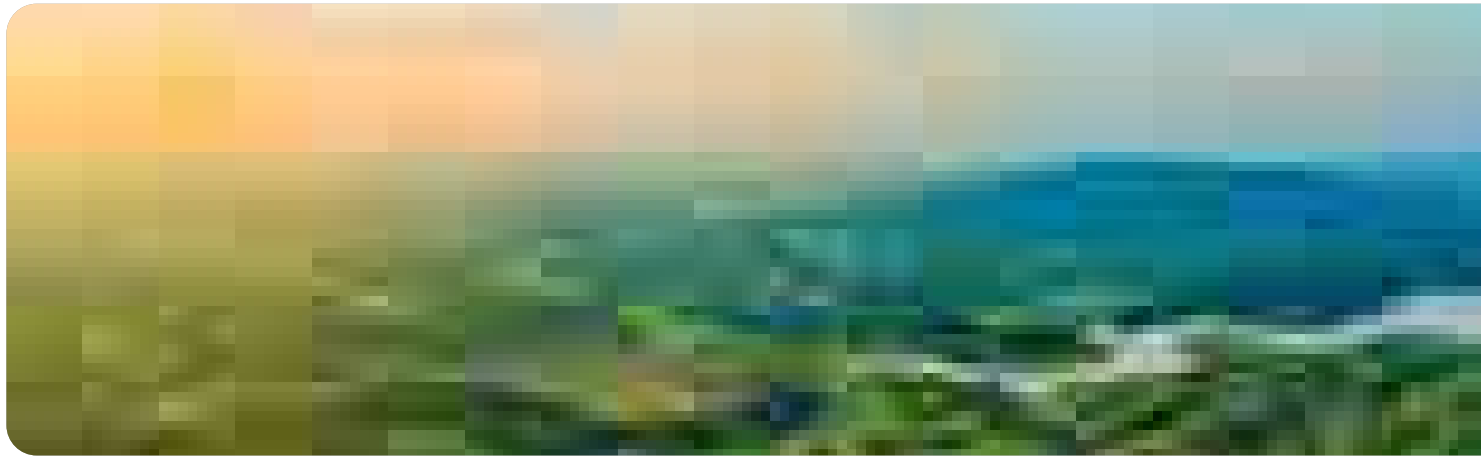
Sustainable Banking for the Future

QNB Türkiye takes concrete steps to reduce the carbon footprint of its operations and the projects it finances and sets its long-term goals in line with Türkiye's "2053 Net Zero" vision.





Green Transformation



Priority Issues



Combating Climate Change and Environmental Compliance

ESG Impact on Lending and Sustainable Finance

Related Capital Elements



Natural Capital



Financial Capital

SDGs

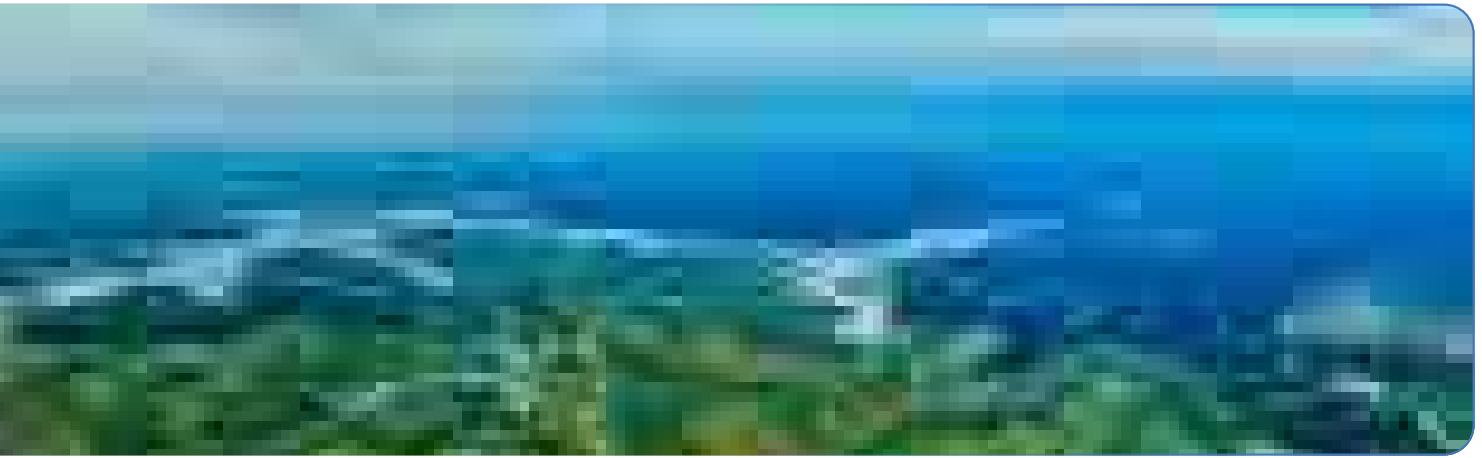


Opportunities

- New business opportunities in financing the transition to the low-carbon economy
- Ability to provide consultancy services supporting green transformation
- Increased innovation capacity to develop products and services suitable for the transformation economy
- Positive contribution of the proliferation of green products and services to the Bank's brand perception
- The contribution of the dynamic business environment created through developing products and services in line with the transformation economy to employee satisfaction

Risks

- Physical losses and damages that can be inflicted by the climate change on operations
- Market losses due to slow climate adaptation activities
- Third-party risks arising from corporate customers falling behind in climate adaptation processes
- Insufficient human resources with a good understanding of the dynamics of the transformation economy
- Penalties that may be imposed due to non-compliance



Recognizing the challenges and opportunities of climate change, QNB Türkiye is committed to supporting the Green Transformation and is a financial partner in its customers' journey in this endeavor. The Bank adopts a proactive approach that aims both to minimize the environmental impact of its financial operations and to help its customers adopt sustainable practices. For this purpose, within the scope of the management of climate-related risks, the Bank

invests in the development of climate risk assessment management in order to understand the financial impacts of potential climate risks and to reflect these risks to lending practices. QNB Türkiye, not limiting its commitment to Green Transformation to the financial products and services it develops, further strives to raise awareness on climate change through training programs, awareness campaigns, and industry collaborations.

Goals







Achieved



Ongoing



Not realized

Goals for 2024	Realization Status	Targets for 2025 and Beyond
Developing strategies to measure and manage the Bank's climate change risks; Continuing the annual measurement of transition risks and physical risks related to climate change		Establishment of mitigation models and sectoral strategies based on emission intensity for priority sectors for the mitigation of loan portfolio emissions calculated according to the PCAF methodology
Conducting CDP Climate Change and Water Security Reporting	 Global A list	Maintaining the current goal
Expansion of the Exclusion List: Radioactive metals, activities related to indigenous land tenure, and unsustainable forestry		Expansion of the Exclusion List
Raising customer awareness of the Carbon Border Adjustment Mechanism, contributing to the climate transformation of these companies by offering green products and services	 Development of the Loan with Lower Interest Rates as Green Increases	Maintaining the current goal

Performance indicators related to priority issues are given in the **Annexes - Key Performance Indicators** page.



Green Transformation

QNB Türkiye strongly embraces the leadership role of the financial sector in sustainable transformation in combating climate change and steers its efforts in this area with a strategic vision.

COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE

The financial sector stands out as a driving force and a transformative actor in achieving the sustainability goals of the global economy. Channeling funds into projects that accelerate the transition to a low-carbon economy and innovative green technologies, the banks shape not only the sustainability of the financial system but also the environmental and social transformation of communities. Financial institutions that integrate environmental, social, and governance (ESG) criteria into their decision-making processes offer a wide range of solutions, from managing climate risks to supporting innovation. Thanks to this, financial instruments that promote transparency are developed, and economic systems are restructured to ensure a sustainable future.

QNB Türkiye strongly embraces the leadership role of the financial sector in sustainable transformation in combating climate change and steers its efforts in this area with a strategic vision. The Bank realizes its commitment to sustainability through a comprehensive approach that supports reducing environmental risks, promoting green financing solutions, and inclusive growth. This strategy focuses on the environmental impact of the Bank's portfolio and operations, while aiming to minimize both climate-related risks and environmental impacts through a dual prioritization approach.

Assuming a mission beyond just providing financial services, QNB Türkiye accelerates the transition to the low-carbon economy of the future with its collaborative partnerships and sustainability-oriented practices. Through strategies based on environmental, social, and governance (ESG) criteria, the Bank stands out as a force driving sustainable change both locally and internationally, and remains determined to build a more livable world.

At QNB Türkiye, climate-related issues are brought to the Bank's management agenda through the effective work of the Sustainability Committee and the Board of Directors' Risk Committee. The Sustainability Committee holds regular meetings to manage and supervise environmental, social, and governance (ESG) strategies and policies. The Bank's risk management activities are carried out by the Risk Management Unit, which reports to the Board of Directors' Risk Committee and the Board of Directors, and reports on financial and non-financial risks are submitted at least once a month. Through the activities of the Sustainability and Risk Committees, critical decisions such as climate-related strategies, key action plans, and review of business and financial plans are directly included in the agenda of the Board of Directors.

QNB Türkiye takes concrete steps to reduce the carbon footprint of its operations and the projects it finances and sets its long-term goals in line with Türkiye's "2053 Net Zero" vision. A comprehensive risk assessment process covering global developments and sector analysis is carried out to manage climate risks and seize opportunities. The investments made in climate risk assessment tools used in this process ensure that the financial impacts of climate change are understood and integrated into lending processes. The work initiated in this vein is planned to be advanced further in the coming period.

Renewable energy investments are of strategic importance in the transition to a low carbon economy. QNB Türkiye contributes to the development of Türkiye's clean energy infrastructure by financing renewable energy projects in line with this objective. The Bank's total project financing to the renewable energy sector amounted to USD 329 million as of year-end 2024, and these investments have played an important role in limiting greenhouse gas emissions by reducing dependence on fossil fuels. QNB Türkiye also improved its internal processes to facilitate the financing of renewable energy investments for self-consumption during the reporting period.



The integration of environmental and social risk assessment into the lending process reinforces QNB Türkiye's responsible banking approach. This system enables the assessment of the environmental impact and sustainability performance of loan applicants, promoting eco-friendly practices and mitigating climate risks. You can find detailed information on lending processes in the **Environmental and Social Risk Management System** section of the report.

In addition to the reduced emissions from its banking portfolio, QNB Türkiye also implements various projects to reduce the environmental impact of its operations. Water and energy savings are prioritized and recycling practices are encouraged in branches and offices. Also, all electricity consumed in the operation buildings is generated from renewable sources. While operating in line with Türkiye's "2053 Net Zero" goal, the Bank aims to promote circular economy principles by encouraging its suppliers to adopt eco-friendly practices.

You can find detailed information on the Bank's climate-friendly activities in the **Operational Transformation** section of the report.

QNB Türkiye supports the country in adapting to climate change and enhancing climate resilience by offering climate-related financial products, promoting sustainable supply chains, and investing in climate-resilient infrastructure. As a key player in the Turkish financial sector, the Bank assumes responsibility in shaping a sustainable and climate-resilient future.

QNB Türkiye is on CDP Global A List

QNB Türkiye demonstrates its performance in fighting climate change through the Carbon Disclosure Project (CDP) Climate Change Program as well. The Bank took its place on the Global A List with its high performance in the 2024 CDP Climate Change and Water Security Programs. The Bank has reinforced its leadership in environmental responsibility on a global scale .

While operating in line with Türkiye's "2053 Net Zero" goal, QNB Türkiye aims to promote circular economy principles by encouraging its suppliers to adopt eco-friendly practices.



Green Transformation

In 2024, QNB Türkiye set new standards in carbon footprint reduction and blue finance by supporting green building, clean transportation, and renewable energy investments through its sustainable financing projects.

QNB Türkiye's 2024 Sustainable Financing Activities

2024 Sustainable Borrowings

- **Sustainability-Linked Syndicated Loan: USD 1,050 million**
- **May 2024 (USD 400 million)**
 - First sustainable syndicated loan under the QNB Group Sustainable Financing and Product Framework
- **November 2024 (USD 650 million)**
 - Loan support to regions affected by the February 2023 earthquake
 - Supporting green loans
 - Maintaining its position as the single institution in the Turkish banking sector with the ability to provide syndicated loans with a three-year maturity

- **Sustainable Bond (QNB Türkiye's first sustainable bond with a maturity of 5 years worth of USD 500 million)**
- **Allocated Projects**
 - Green building
 - Clean transport
 - Renewable energy
 - Providing Support to combating the climate change
 - Access to basic services

- **Social Bond (USD 40 million, QNB Türkiye's first Social Bond)**
- **Allocated Projects**
 - Access to basic services, hospital infrastructures

- **Green and Blue Bond (USD 145 million, collaboration with IFC & EBRD and Responsibility Fund)**
- **Allocated Projects**
 - Sustainable practices for the commercial and SME segment
 - Preservation of marine ecosystems
 - Promoting sustainable tourism
 - Aquaculture projects



Outputs

- Support for green projects
- Reduced carbon footprint
- Setting new standards in blue finance
 - Increased sustainable investments
- Supporting the Social Credit Portfolio

GOAL:

Leadership in Sustainable Financing



QNB Türkiye employs scenario analysis and stress testing tools to understand and manage future uncertainties related to climate change.

MANAGING CLIMATE CHANGE RELATED RISKS

Climate Change Related Risks are defined as the potential risks that may arise from climate change or from efforts to mitigate climate change, their related impacts and their economic and financial consequences. They can be grouped into two broad categories: Physical Risks and Transition Risks.

Physical Risks are economic costs and financial losses resulting from the increasing severity and frequency of extreme weather events (acute physical risks); longer-term gradual shifts of the climate (chronic physical risks); and indirect effects of climate change such as loss of ecosystem services.

Transition Risks are related to the transition to a lower-carbon economy which could entail policy, legal, technology and market changes.

QNB Türkiye relies on scenario analysis and stress testing tools to navigate uncertainties of future under global climate change considerations. Rather than providing precise forecasts, the main goal of these studies is to test resilience of Bank's business strategies and financial performance and identify vulnerabilities under hypothetical scenarios. These scenarios address different severity levels of climate-related risks, including transition and physical risks.

Bank reported results of its first climate risk stress test in the scope of the Internal Capital Adequacy Assessment Process (ICAAP) report prepared as of 2022 YE. In the following years climate risk stress testing framework has been enhanced with the various climate risk studies carried out in coordination with QNB Group.

Stress Tests for Transition Risks:

QNB mainly relies on Network for Greening Financial System (NGFS) scenarios for climate change related transition risk studies.

The NGFS Scenarios have been developed to provide a common starting point for analyzing climate risks to the economy and financial system. These scenarios serve to detect potential risks associated with climate change and provide a range of plausible outcomes rather than precise forecasts.

For transition risk stress testing purposes QNB adapts three NGFS scenarios:

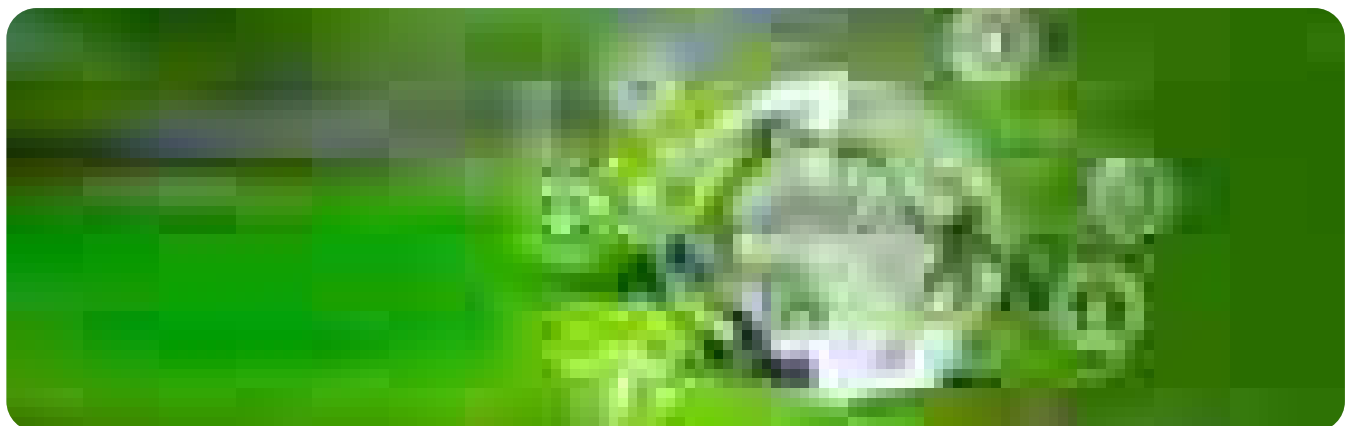
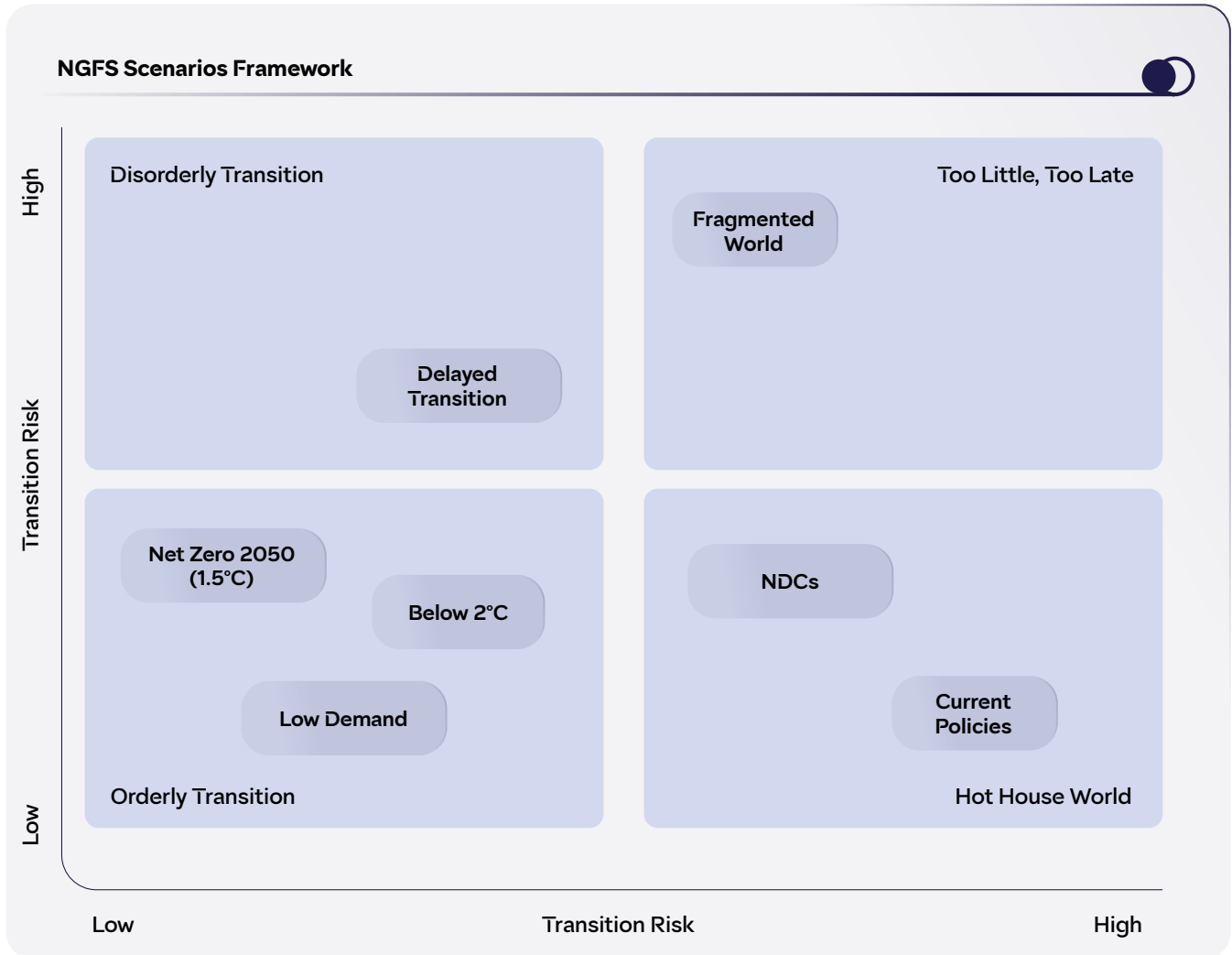
1. Orderly Transition -Net Zero: Global climate policies are introduced early and become gradually more stringent to limit the temperature increase to 1.5-2 degrees.
2. Disorderly Transition - Delayed Transition: There are delays in the implementation of climate policies and a holistic transition cannot be achieved timely due to divergent practices between countries/sectors.
3. Hot House World - Current Policies: Due to insufficient global efforts regarding climate change, temperature increase will be above 2.5 degrees, and some regions and industries may experience significant environmental and physical impacts.

The scenarios provide insights for short-, medium- and long-term future covering the period between 2025-2050.



Green Transformation

Transition risk stress testing exercise aims to identify financial resilience of firms in QNB’s loan portfolio under climate specific assumptions.





QNB's transition risk stress testing exercise aims to identify financial resilience of firms in QNB's loan portfolio under climate specific assumptions. In this context, short to long-term impacts (up to 2050) of transition initiatives on the financial situation of the companies are forecasted.

In line with the emission reduction targets, analysis is performed through comparative estimates determined at industrial level, such as carbon taxes and green investment rates to which companies are expected to be exposed.

Output of the study is long-term transition risk profile forecasts at the individual company level under the assumptions of various scenarios. These risk profiles have been associated with borrower's repayment ability by adjusting default probabilities accordingly. Thus, financial impact of the transition risk could be quantified in terms of expected credit loss (ECL).

ECL impact has been quantified based on 2024 year-end loan portfolio. Provisioning cost of the same portfolio has been forecasted to be increased by 6.4% by the year 2050 under the severest scenario; orderly transition.

Stress Tests for Physical Risks:

Physical risk stress testing analysis has been conducted to assess the impacts of climate change related physical risks on Bank's real estate collaterals over the period 2025-2050.

Potential impacts of physical events have been forecasted under RCP (Representative Carbon Pathways) 8.5 scenario. This scenario, in detail, assumes minimal mitigation efforts and continued reliance on

fossil fuels, very limited adoption of renewable energy technologies, significant land-use changes, including deforestation, driven by agriculture and urban expansion and high emissions of methane and other non-CO₂ greenhouse gases. The climate impacts it foresees include warming exceeding 4°C above pre-industrial levels, with catastrophic impacts on ecosystems and human systems, high probability of heatwaves, droughts, and flooding and significant disruption to food and water systems, threatening global security and economic stability.

In this context, five different climate hazards that may lead depreciation in asset values of real estates were analyzed. These include flood, wildfire, wind-gust, sea level rise and land slide.

The first step of the study is risk mapping of each hazard to geographical locations. Based on this mapping, real estate collaterals are classified under one of the four categories representing varying risk levels.

Consequently, a quantitative calculation has been performed leveraging on the damage functions specific to each hazard aiming to forecast the expected depreciation for the real-estate portfolio. Depreciated market values of real estate collaterals are incorporated to Bank's LGD estimates for borrowers. Thus, financial impact of climate related physical risks could be quantified in terms of additional provisioning cost due to expected credit loss.

Based on the calculations performed on 2024 Year End portfolio, Bank does not foresee material expected credit loss impact due to physical risks.



Green Transformation

Greenhouse gas (GHG) emission levels of the loan portfolio financed by QNB Türkiye are calculated regularly since 2023.

Climate Risks Financial Impact Table

Summary of the impacts of climate risks studied by the Bank is provided in the table below:

Risk Type	Risk	Definition of Risk	Impacts on Value Chain	Time Span	Potential Impact Area	Financial Impact		
						Scenarios	Average Collateral Depreciation	ECL Impact
Physical Risks	Landslide	Acute and Chronic extreme weather events would cause depreciation in the value of the physical assets of the borrowers that was given as collaterals.	Depreciation in the value of the real estates that were taken as collaterals by the Bank could jeopardize credit risk mitigation efforts.	Effects of the climate related risks could be observed in short to long term. Financial impact figures are provided for long term (by the year 2050) which has the most material impact.	Depreciation in collateral value leads to increased level of LGD (Loss Given Default) forecasts thus causing higher level of ECL (expected Credit Loss).	RCP 8.5 Scenario	2.7%	No material ECL Impact is expected.
	Flood						1.3%	
	Wildfire						4.3%	
	Wind Gust						0%	
	Sea Level Rise						0%	
Transition Risks	Transition to Low Carbon Economy	Firms would be exposed to additional carbon taxes/costs due to climate regulations and would need additional resources to finance their business's transition to a low carbon economy.	Firms' demand for climate-related products and services could increase. They would need additional financing for transition investments. Firms could lose stakeholder trust and business partnerships.		Due to the additional financial costs that firms would face, credit risk of the borrowers would increase, which leads higher PD (Probability of Default) estimates and consequently higher ECL levels.	Three NGFS Scenarios were considered: - Orderly Transition - Disorderly Transition - Hot House World	N/A	5.2% to 6.4% increase in ECL

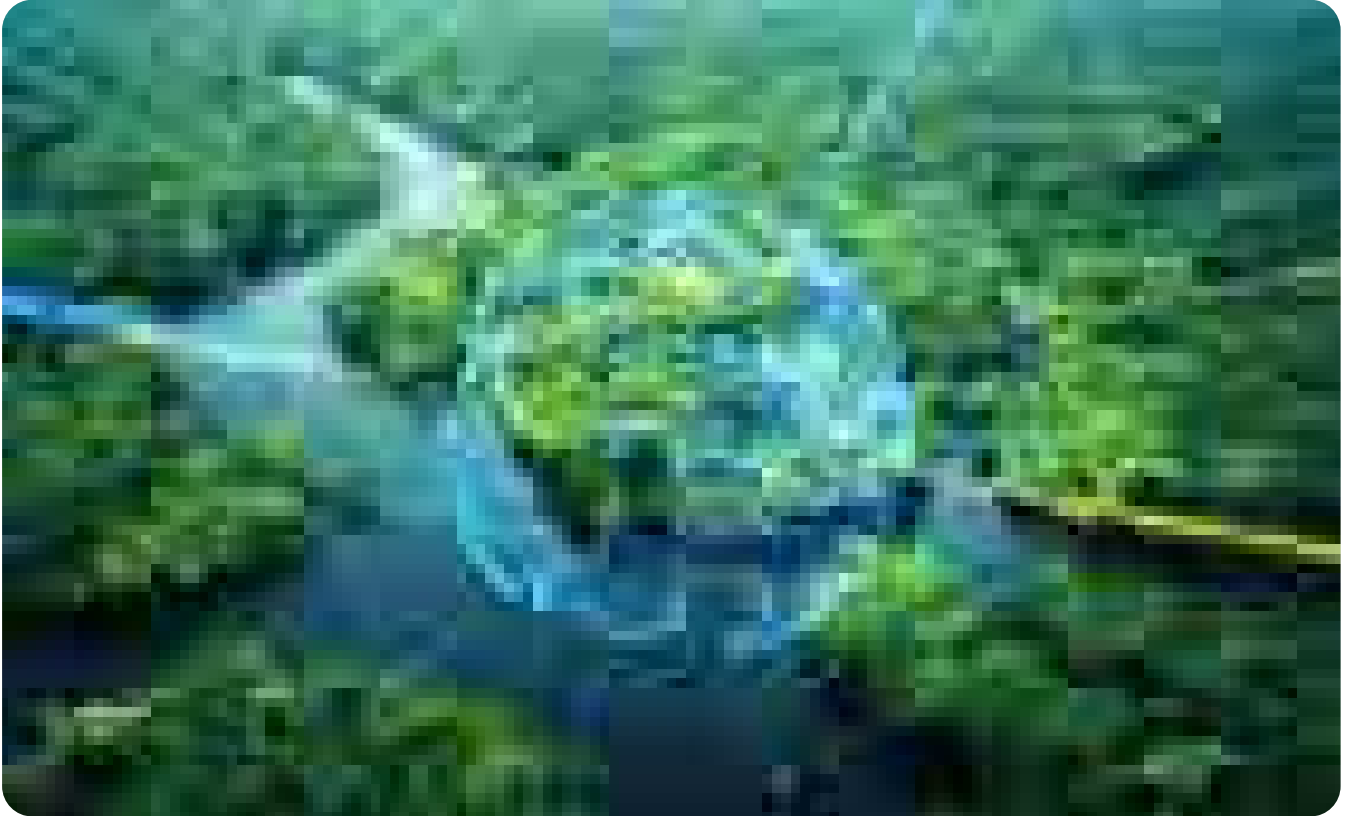
*ECL impact is calculated based on 2024 YE portfolio

On top of the stress testing analysis performed on real estate collaterals, Bank applies a similar methodology to identify and measure physical risks that its own assets are exposed to.

Additionally, the impacts of climate-related risk factors on the Bank's liquidity position are analyzed annually within the scope of the Internal Liquidity Adequacy Assessment Process (ILAAP).

Financed Emissions Calculations (Scope 3 Category 15: Financed Emissions):

Greenhouse gas (GHG) emission levels of the loan portfolio financed by QNB Türkiye are calculated regularly since 2023. The results, which are grouped and reported in areas such as asset classes and industries, provide an important insight in shaping the Bank's climate risk strategies and policies as part of the Bank's transition plan to a low carbon economy.



QNB relies on internationally accepted Partnership for Carbon Accounting and Financials (PCAF) methodology for portfolio emissions calculations. PCAF enables FIs worldwide to consistently measure and disclose the greenhouse gas (GHG) emissions of their financial activities. It provides detailed methodological guidance to measure and disclose GHG emissions associated with different asset classes.

Depending on the level of disclosure of the firms, different measurement approaches are applied. For firms which do not disclose their emission information, emission levels are estimated using average sectoral coefficients per unit produced or revenue generated. Reported emissions data, when available, are preferred to estimated data.

A key component of PCAF methodology is the data quality score, which represents the reliability of the data used in the emissions calculations on a scale of 1(highest quality) to 5 (lowest quality). QNB Türkiye's PCAF data quality score is 2.83. Bank aims continuous efforts to enhance the accuracy and transparency of its emissions reporting.

Based on the methodology and assumptions described above, as of 2024 year-end, Scope 3 category 15 emissions for QNB Türkiye are estimated around 13.9 million tons.

QNB relies on internationally accepted Partnership for Carbon Accounting and Financials (PCAF) methodology for portfolio emissions calculations.



Green Transformation

Operating with a commitment to minimize environmental risks, QNB Türkiye evaluates project finance loans within the framework of the Loans Environmental and Social Risk Assessment Policy.

MANAGING BIODIVERSITY AND FOREST RISKS

QNB Türkiye monitors the impacts of its investment projects on biodiversity and integrates these impacts into its decision-making processes, thereby strengthening responsible business conduct. Operating with a commitment to minimize environmental risks, the Bank evaluates project finance loans within the framework of the Loans Environmental and Social Risk Assessment Policy. Biodiversity-related risks are rigorously managed at both the Board of Directors and executive levels, and strategies are developed accordingly.

The Environmental and Social Risk Assessment Model used within the scope of QNB Türkiye's Environmental and Social Risk Management Policy inquires the impacts of projects on biodiversity in detail. The model analyzes whether companies have assessed the impacts of their operations on biodiversity, whether they operate in areas that have been legally declared protected areas, and whether they consider similar impacts in their supply chain. This approach provides a holistic framework for understanding the impact of projects on nature.

In energy projects, respect for biodiversity is a priority evaluation criterion. Potential impacts of wind power plants on birds and bats, solar power plants on birds, bats, and reptiles, and hydroelectric power plants on fish are analyzed in detail. If there is a discharge to aquatic habitats due to the project, discharge standards must be complied with, and noise emission levels must be taken into consideration in facilities close to natural habitats. In addition, for projects close to migration routes or protected areas, Ornithological Assessment Reports or Flora and Fauna Monitoring studies are requested to closely monitor the impact of projects on natural life.

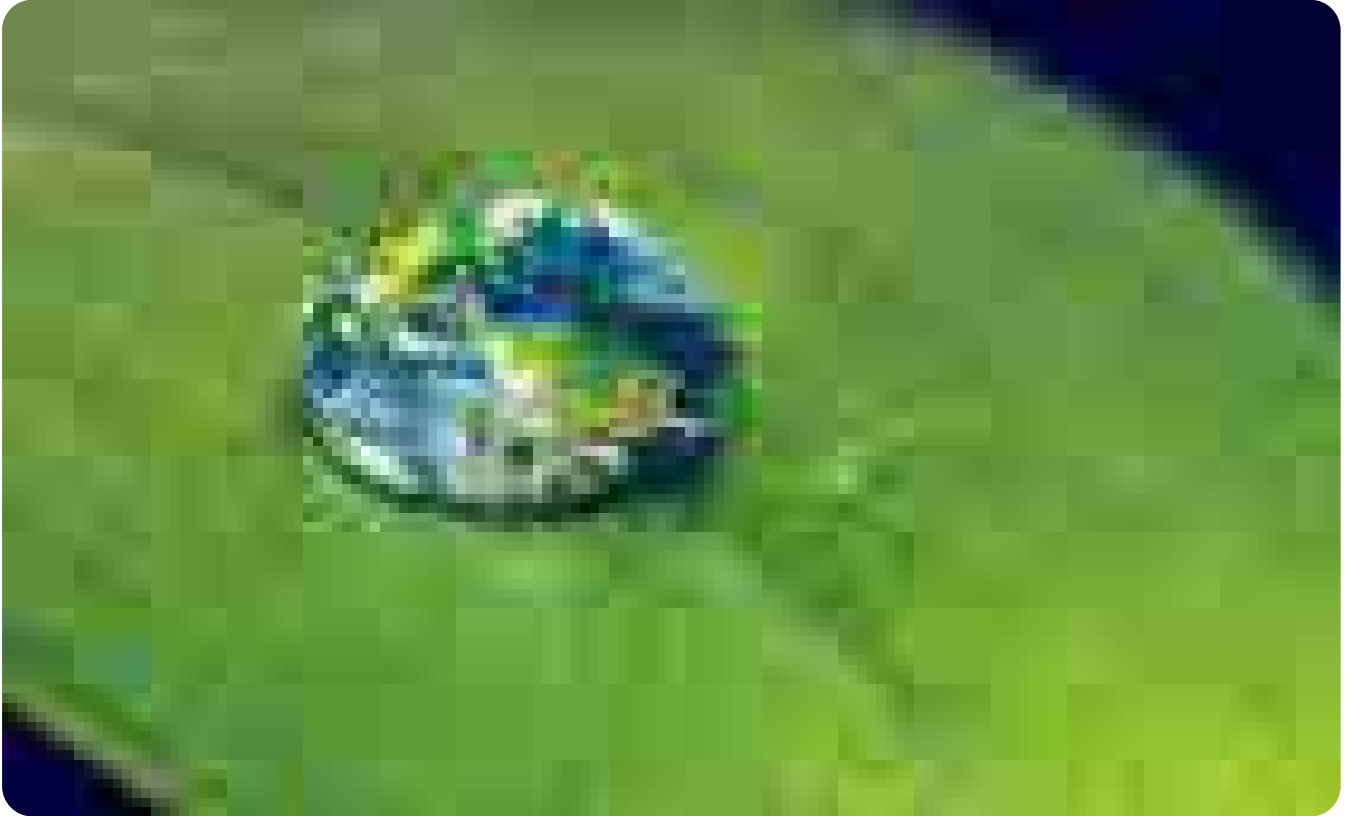
QNB Türkiye has set criteria to support biodiversity in line with QNB Group's Sustainable Finance and Product Framework. For example, renewable energy from biomass is only provided with loans if the biomass source is certified, while investments involving biomass sources located in high biodiversity areas, destroying terrestrial carbon sinks, or competing with food production are excluded from lending. Similarly, projects in the forest, forestry, and fisheries sectors are considered green bonds only if they have Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Stewardship Certification (PEFC), or Marine Stewardship Council (MSC) certifications.

In 2024, QNB Türkiye further expanded the Environmental and Social Risk Management Policy Exclusion List and made a commitment not to finance unsustainable forestry activities and cutting down trees in tropical rain forests. The Bank has also expanded its endeavors of combating deforestation by including the production or trade of wood and other forest products not sustainable forestry activities in the exclusion list.

MANAGING WATER RISKS

Recognizing water as the fundamental source of life, QNB Türkiye acts responsibly to preserve water resources and ensure their preservation for future generations. The Bank contributes to a sustainable future by meticulously analyzing water consumption, water safety, and environmental impacts in the projects financed.

Within the scope of the Environmental and Social Risk Assessment (ESRA) Model, which is applied to project loans amounting to USD 10 million and above and corporate loans amounting to USD 25 million with maturities longer than 2 years, Environmental Impact Assessment (EIA) reports are requested for investments. EIA reports include information on water consumption, well water use, wastewater treatment methods, and discharge limits and the Bank's environmental and social risk specialists check these data in detail.



In the event that no sufficient information on water safety is available in the EIA reports of the projects evaluated under the ESRA Model, additional inquiries are directed to the project owners and, if necessary, an Environmental and Social Action Plan (ESAP) is drawn up to determine preventive actions. In projects located in regions with high water scarcity, detailed analyzes are carried out on the use of well water and water consumption.

The Bank's endeavors to assess the physical risks associated with climate change focus on the agriculture, energy, industry, livestock, forestry, and fisheries sectors, which are particularly vulnerable to water-related risks. This approach aims to understand and manage the potential impacts of the loan portfolio on water resources.

Coal-fired power plants put pressure on water resources due to their intensive water consumption. QNB Türkiye contributes to reducing the pressure on water resources with its decision not to finance new coal power plants and new coal mines. This step reinforces the Bank's commitment to both the preservation of water resources and its sustainability strategies.

As of 2024, QNB Türkiye started collecting water consumption data for the projects in its project financing portfolio. This step will enable the Bank, accelerating its efforts to reduce environmental risks, to calculate its water footprint and integrate this data into its sustainability strategies.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM

QNB Türkiye carries out its lending activities within the framework of a comprehensive risk management system, taking into account the environmental and social risks of the projects. Established in 2019 in accordance with international standards, the Environmental and Social Management System is reviewed regularly every year and updated in line with the requirements. Through this system, environmental and social risk assessment and supporting procedures in lending processes have been strengthened with a systematic approach.

All loan applications submitted to the Bank are examined in line with the Exclusion List and their compliance with these criteria is meticulously assessed.

QNB Türkiye contributes to a sustainable future by meticulously analyzing water consumption, water safety, and environmental impacts in the projects financed.



Green Transformation

QNB Türkiye updated its Exclusion List in 2024 and expanded its scope in line with its environmental and social responsibility principles.

Exclusion List

All QNB Türkiye's loans are evaluated within the framework of the Exclusion List found in the Bank's Environmental and Social Risk Management Policy. Investments involving human rights violations, child labor, forced labor, unconventional weapons production, or the production or trade of products prohibited by international agreements and ozone-depleting substances are among the activities listed on the Exclusion List.

In 2022, the Bank expanded the scope of its Exclusion List by adding "new coal power plants" and "new coal investment projects." The Bank achieved its targeted 2032 coal phase-out commitment for the relevant project finance loans in its portfolio by 2023.

QNB Türkiye updated its Exclusion List in 2024. The scope of the list was expanded by adding "Production or trade of wood and other forest products that are not sustainable forestry activities," "Commercial logging activities using primary tropical rain forests," "Production or activities on lands owned or claimed by indigenous peoples or without the documented consent of indigenous peoples." In addition, QNB Türkiye has started to restrict lending to customers in the coal trade, coal transportation, coal mining, and tobacco production and trade, as well as production, trade, storage, and transportation of hazardous chemicals in its portfolio of small and medium-sized enterprise customers.

QNB Türkiye's Exclusion List has been prepared in line with the principles of environmental and social responsibility and its details can be found in the **Environmental and Social Risk Management Policy** section of the website.

The Bank considers full compliance with existing regulations and policies and rapid adaptation to new regulations and policy changes as one of its primary objectives in assessing climate-related risks. In the

management of direct and indirect risks, national and international regulations and the current recommendations of reputable scientific sources are taken into account.

The Environmental and Social Risk Assessment (ESRA) Model is used by QNB Türkiye to assess the environmental, social, and reputational risks of its customers. This model is designed in accordance with the International Finance Corporation (IFC) Performance Standards and is applied to project loans amounting to USD 10 million or more with a maturity of 2 years or longer and corporate loans amounting to USD 25 million or more with a maturity of 2 years or longer. ESRA comprehensively assesses not only the environmental impacts but also the social impacts of projects.

As part of the ESRA process, projects are analyzed based on a comprehensive range of criteria, including natural resource use, greenhouse gas emissions, biodiversity, waste management, air, soil and water quality, water scarcity, noise and dust emissions, occupational health and safety, working conditions, public health and safety, and stakeholder engagement. These assessments are carried out based on national legislation and international best practices.

At the end of the assessment, investment projects are classified into four risk categories: High (Category A), Medium-High (Category B+), Medium (Category B-), and Low (Category C). Depending on the risk level, the Bank conducts detailed discussions with its customers about the environmental and social impacts of projects and provides guidance for special cases that require additional analysis.

Where projects pose a risk of having an impact on local communities, investors' mitigation measures, compensation for damages and mechanisms established to address community grievances and demands are closely examined. The details of public information meetings organized during the Environmental Impact Assessment (EIA) process are meticulously considered. The duration of announcements, methods of announcements, whether the participants are from the local community, responses to questions and grievances, and the resolution processes of grievances are analyzed in detail. Additionally, in instances where the local community resists the project, the causes of such resistance are investigated, and the investor's approach to addressing the issue is assessed. When necessary, investors are informed to take additional actions.



In case the project involves the resettlement of local people, this moves the project risk category to Category A. In such projects, the Bank endeavors with International Independent Environmental and Social Consultants. Environmental and Social Due Diligence Report, Environmental and Social Action Plan and field monitoring studies are carried out by consultants. In addition, in case further management plans are required due to the nature of the investment, they are prepared and included in the process.

In 2024, 13.6% of QNB Türkiye's total corporate loan portfolio consisted of loans subject to the ESRA Model. In 2024, 24 projects were subjected to the ESRA Model. The project financing of 21 of these projects has been approved and the loan disbursement process of 12 projects is ongoing. 3 projects were rejected.

In 2024, 8.33% of the projects assessed based on the Model were in category A, 45.83% were in category B+, and 45.83% were in category B-. There were no projects in category C in 2024. By year-end 2024, the risk categorization and sectoral distribution table of the projects assessed based on the ESRA Model is as follows:

Risk Category	Number of Projects Implemented Using the Environmental and Social Risk Assessment Model	Distribution (%)
Total A	2	8.33
Total B+	11	45.83
Total B-	11	45.83
Total C	0	0

Sectors	Sectoral Distribution of Projects Implemented Using Environmental and Social Risk Assessment Model	Breakdown of Loan Amounts (USD)
Energy	13	216,751,500
Production	4	133,038,615
Infrastructure	3	156,503,182
Tourism	2	176,566,500
Transportation	2	101,800,000

QNB Türkiye conducts regular site visits to monitor environmental and social impacts and support the implementation of mitigation measures. In 2024, 8 site visits were conducted in this context. During 2024, no project was rejected due to non-compliance with the Environmental and Social Risk Management Policy among the loan applications received by the Bank.

In 2024, 13.6% of QNB Türkiye's total corporate loan portfolio consisted of loans subject to the ESRA Model.



Green Transformation

The QNB Group considers financing the transformation economy as one of the key ways to contribute to national and global sustainable development goals.

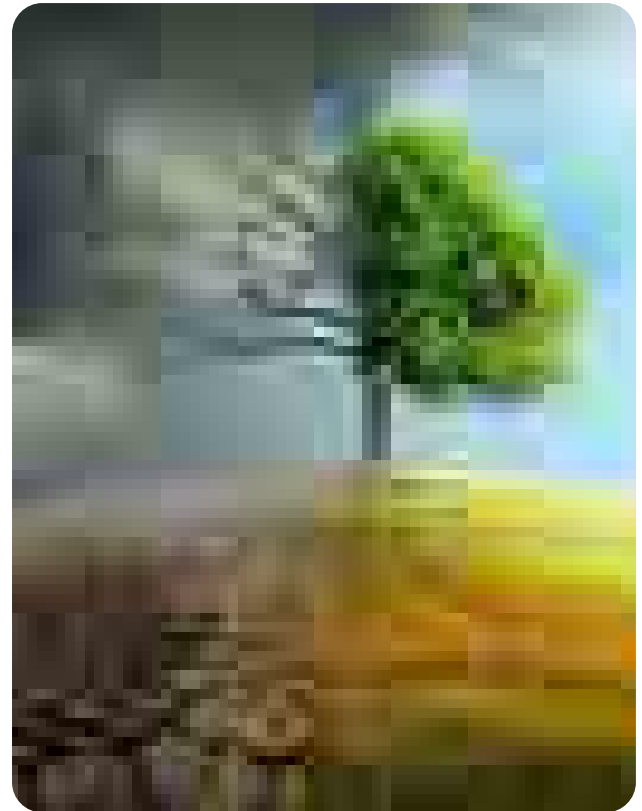
QNB Türkiye Adopts an Comprehensive Approach in Operational Risk Management

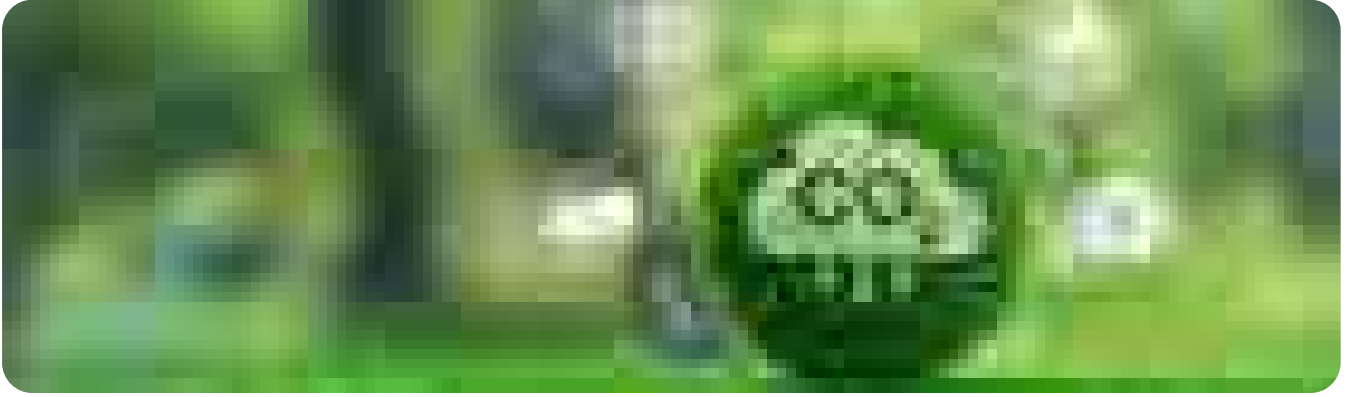
In environmental and social risk management, QNB Türkiye addresses operational risks, in addition to financial ones, with an inclusive approach. Potential financial impacts of operational risks are disclosed within the scope of the Bank's Operational Risk Management Policy. Financial impacts above TL 4 million are assessed with a maximum impact score and effective action plans are implemented for such risks. Financial losses over TL 4 million are reported to the QNB Group Operational Risk Management Committee and financial losses over TL 40 million are reported to the Group Risk Management Committee. The Bank instructs its business units to take appropriate action for operational risk events that result in a monetary impact exceeding TL 100 thousand and risks with a financial impact exceeding TL 4 million are categorized as significant financial risks.

The Bank reinforces its preparations for possible risks and -in order to increase its operational resilience- runs stress scenarios within the scope of Basel Loss Event Categories for the calculation of operational risk capital requirement. As part of these studies, two different scenarios have been created. The first scenario, the Istanbul Earthquake Scenario, identifies the Istanbul earthquake as the greatest risk threatening the Bank's assets and evaluates the effects of physical damages that may occur as a result of an earthquake. In this scenario, the reconstruction and decoration costs of the Bank's buildings are taken into account. The second scenario is the Fire, Flood, and Social Events Scenario, which includes the analysis of damages that may occur due to fire, flood, or social events. In this scenario, infrastructure systems and renovation of interior decoration were taken into consideration, and floods, which have increased in recent years, occupied a significant place in the studies.

PRODUCTS AND SERVICES SUPPORTING THE TRANSFORMATION ECONOMY

The QNB Group considers financing the transformation economy as one of the key ways to contribute to national and global sustainable development goals. In alignment with the Group's sustainable financing approach, QNB Türkiye effectively seizes the opportunities presented by the transition to an environmentally friendly and inclusive economy and mitigates reputational risks in its portfolio. In this context, the Bank cooperates with international organizations, provides financing for renewable energy projects, and develops innovative products that contribute to sustainable development.





Sustainable Finance and Product Framework

The QNB Group has established the Sustainable Finance and Product Framework for the processes that determine climate-related financing. The Framework was prepared to identify financing and loans eligible to be financed with proceeds from Green, Social, or Sustainability Bonds issued by QNB. It sets out the Bank's classification approach and methodology for labeling as sustainable or transition finance any product, service, or transaction that aims to provide a positive impact on society and the environment. The Framework includes appropriately qualified themes, categories, activities, and criteria aligned with international standards and taxonomies.

The framework complies with the International Capital Markets Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) categories, the Climate Bonds Initiative (CBI) taxonomy and/or the EU taxonomy. This framework also includes information on Green Funding (UoP) eligibility criteria, reporting of estimated annual emissions reduced and/or avoided, annual energy consumption, and energy savings values of the project.

As of year-end 2024, 33.64% of project loans of USD 10 million and above and those with a maturity of 2 years and above met the requirements of the Sustainable Development Goals (SDGs) in line with the Sustainable Finance and Product Framework.

International Collaborations

Acting with the awareness of the responsibility of the banking and finance sector in the transition to a green economy, QNB Türkiye contributes to accelerating the sustainable business models by providing the external financing resources needed by the real sector. In this respect, the May and November syndicated loan agreements syndication agreements renewed in 2024 were realized in line with sustainability goals. The total amount of these two syndicated loans is USD 1,050 million, which is being used to finance foreign trade to support the real sector and sustainable development.

With the motivation to expand sustainable funding collaborations across various areas, it has also contributed to financing the import of sustainable products in foreign trade.

With the strength gained through the Group's Sustainable Finance Product Framework, QNB Türkiye issued its first sustainable Eurobond with a five-year maturity of USD 500 million in 2024. The funds from this bond are used under the Framework to support loans extended for green and social projects such as green buildings, clean transportation, renewable energy, and access to basic services.

In addition, in collaboration with IFC and EBRD, the Bank issued USD 100 million of green bonds and USD 25 million of blue bonds in 2024. Among these issuances, the blue bond is the first blue bond issued by a financial institution in Türkiye. The blue bond supports the blue economy through sustainable tourism and fisheries, while the green bond aims to reduce environmental impacts in areas such as renewable energy, energy efficiency, and agriculture. This structure is aligned with the Sustainable Finance Product Framework and contributes to Türkiye's net zero goals by 2053. At the end of 2024, QNB Türkiye's sustainable bond volume amounted to USD 685 million.

QNB Türkiye issued its first sustainable Eurobond with a five-year maturity and a total amount of USD 500 million.



Green Transformation

As of year-end 2024, the total amount of project finance provided by QNB Türkiye to the renewable energy sector was USD 329 million.

Notable international financing sources in 2024

First Sustainable Eurobond issuance in international markets

USD 500 million

Green and Blue Bonds with IFC and EBRD
Türkiye's first blue bond issuance

USD 125 million

Sustainable Syndication

USD 400 million

Sustainability-Linked Syndication

USD 650 million

Funding from the International Finance Corporation (IFC), Proparco, EFSE, and the European Bank for Reconstruction and Development (EBRD) for earthquake-related financing

USD 210 million

Financing Green and Blue foreign trade

Finance for Renewable Energy and Energy Efficiency

One of the most important requirements for the transition to sustainability is to increase energy from renewable sources by enabling energy transition, creating green energy systems, and promoting the transition to energy-efficient technologies. Investments in renewable energy not only mitigate the consequences of climate change but also support socio-economic development by creating new employment opportunities.

QNB Türkiye prioritizes renewable energy projects in project financing for electricity generation investments. As of year-end 2024, the total installed capacity of all renewable energy projects financed by the Bank was 1,555.78 MWm. The share of renewable energy projects in total project finance loans is 11%.

As of year-end 2024, the total amount of project finance provided by QNB Türkiye to the renewable energy sector was USD 329 million.

Self-Consumption-Based Unlicensed SPP Financing

With the revocation of the obligation for unlicensed electricity generation facilities and associated consumption facilities to be located in the same distribution region, unlicensed solar and wind power plant investments based on self-consumption have become increasingly important. Renewable energy investments are financed through the self-consumption model developed in line with the Bank's sustainability goals.

Eco-Friendly Housing Loan

In addition to the interest rate advantage, a 50% discount on the loan allocation fee is offered for housing purchases with A and B Energy Class Certificates. In 2024, TL 3.8 million worth of Eco-Friendly Housing Loans were disbursed.

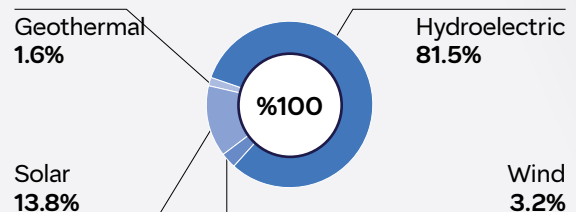
Eco-Friendly Vehicle Loan

In addition to the interest rate advantage, a 50% discount on the loan allocation fee is offered for the purchase of electric or hybrid vehicles.

Eco-Friendly Personal Loan

The eco-friendly Personal Loan is available to customers who want to contribute to a sustainable world by making eco-friendly renovations to their residences in 2023. In 2024, loans worth of TL 4.3 million were disbursed.

Distribution of project finance loans provided for renewable energy investments (%):





QNB Asset Management Clean Energy and Water Fund of Funds

QNB Asset Management Clean Energy and Water Fund of Funds aims to enable customers to participate in the earnings of companies operating for a sustainable future through domestic and foreign funds and to benefit from medium and long-term returns.

Within the scope of this fund, the Bank established the “QNB Türkiye Clean Energy Index.” The Bank supports the investment of companies working in the field of renewable energy and whose shares are traded on Borsa Istanbul. The size of the portfolio, which follows the relevant Index and is defined as the “Sustainable Fund,” reached TL 71,4 million by the end of 2024.

Support Loan

Launched in March 2024, the Support Loan has been disbursed 8,585 times, totaling TL 865.512 million.

QNB Asset Management QNB Clean Energy Index Equity Intensive Exchange-Traded Fund

As part of its investment activities supporting renewable energy and sustainability, the QNB Asset Management launched the “QNB Asset Management QNB Clean Energy Index Equity Intensive Exchange-Traded Fund” on 19 April, 2024. The fund, listed on Borsa Istanbul under the ticker ‘QTEMZ,’ aims to invest in companies that generate income from renewable energy and sustainability-oriented activities, by tracking the QNB Clean Energy Index.

The QNB Asset Management QNB Clean Energy Index Equity Intensive Exchange-Traded Fund, which allows investors to invest in 10 companies working in the field of renewable energy and whose shares are listed on Borsa Istanbul through a single portfolio, offers an important opportunity for investors who care about renewable energy. As investments in renewable energy sources increase, the growth potential of companies operating in this sector is also increasing. The fund allows investors not only to seek financial returns but also to contribute to environmental sustainability.

Green/Sustainable Deposits

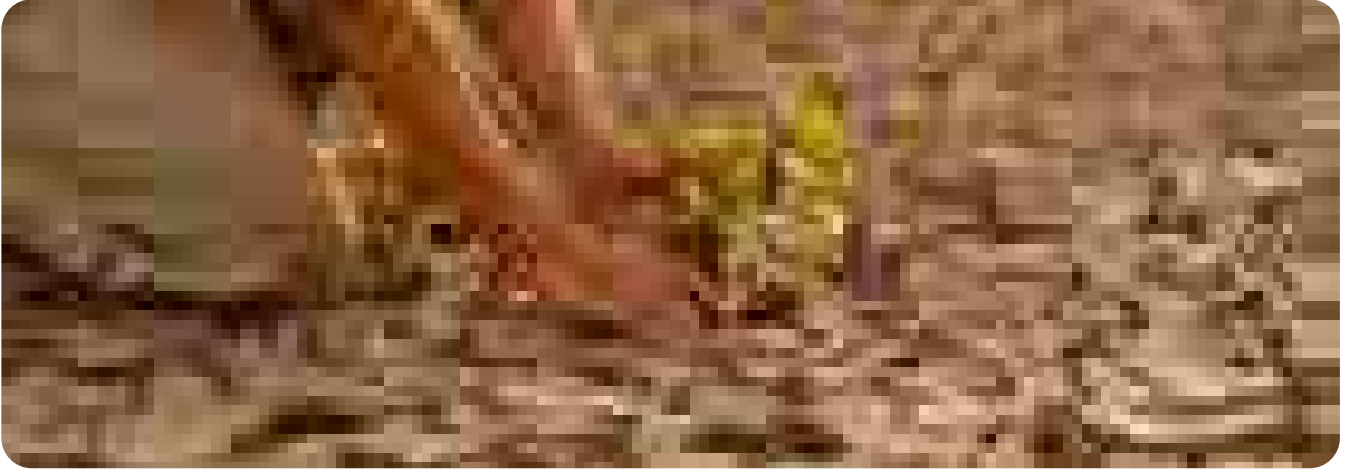
Designed for investors who want to invest their excess cash in environmentally friendly projects, Green/Sustainable Deposits finance businesses and projects that support the transition to a low-carbon, climate-resilient, and sustainable economy. The deposits collected are being used to fund green and social loans compatible with the QNB Group Sustainability Framework. QNB Türkiye publishes reports on its website at regular intervals about its resource utilization and environmental impact performance.

Green/Sustainable Deposits finance businesses and projects that support the transition to a low-carbon, climate-resilient, and sustainable economy.



Green Transformation

QNB Türkiye supports paperless banking operations and offers solutions that enable its customers to make such choices.



With the QNB Türkiye Sustainable Deposit product, USD 37 million has been allocated to social projects that support green and social development since 2023. This product enables investors to invest in projects that are compatible with the United Nations Sustainable Development Goals while enabling the Bank to fund sustainable and environmental loans. While this product encourages companies to do sustainability reporting and share ESG indicators, investors benefit from having a reliable and sustainable offering in addition to deposit returns.

As of year-end 2024, this deposit product reached a portfolio of TL 5.3 billion. The disbursement report on deposits invested and loans disbursed is available on the Bank's website. It is also shared with customers who invest in deposits.

Digital Bank Statement

QNB Türkiye supports paperless banking operations and offers solutions that enable its customers to make such choices. Digital bank statements are offered as an alternative to printed statements, thus minimizing the use of paper. At QNB Türkiye, by the end of 2024, the proportion of customers using digital statements reached 95% of the total customer portfolio, and 80 million sheets of paper were saved.

Digital Approval

In 2024, new products and transactions were added to the digital approval flow, and the digital approval rate of documents that can be digitally approved for retail and corporate customers has been 92%. In line with the Bank's paperless banking goals, 45 million sheets of paper were saved by completing transactions with Digital Approval.



Sustainability Linked Loan Disbursements

QNB Türkiye aims to increase investors' sensitivity to sustainability through sustainability-related loan disbursements.

In 2021, QNB Türkiye committed to improve the interest rate of a Project Finance loan if the performance criteria of improving energy efficiency, supporting the local community and providing local employment were achieved.

In 2023, the committed improvement was realized by QNB Türkiye upon the achievement of the performance criteria.

Green Transformation Loan Program

With the Green Transformation Loan Program launched in November 2023, QNB Türkiye provides financing and consultancy services to support its customers in reducing their carbon footprint, raising sustainability awareness, and improving their environmental performance. The program aims to promote investments in green transformation by aligning with the European Green Deal and the Border Carbon Regulation Mechanism. Customers are offered interest rate discounts depending on their carbon reduction goals, and financing processes are supported by evaluating projects on a sectoral basis through collaboration with consultancy firms. In addition, the trainings provided to field personnel provide accurate guidance to customers and facilitate their compliance with sustainability regulations.

The Green Transformation Program provides financing and refinancing support for the purchase of machinery and equipment that can process recycled or recovered raw materials instead of unprocessed raw materials in customers' production processes or for the replacement of existing equipment. In addition, the Bank continues to contribute to the circular economy by financing activities that extend the life of machinery and equipment in use or optimize capacity utilization.

In 2024, as part of the program, the Loan with Lower Interest Rates as Green Increases was developed. In addition to long-term and affordable financing options, a comprehensive structure has been created with the Azalt and Captanomy applications, with which the Bank collaborates to help customers measure and report their carbon footprints. The program aims to reward customers and encourage environmental investments by providing additional interest deductions based on carbon reduction rates throughout the term of the loan. In addition, intermediation was offered to provide consultancy services to customers, the integration of the program to all branches was accelerated, and performance metrics were added to increase the motivation of field teams.

In 2024, the Loan with Lower Interest Rates as Green Increases was developed to encourage environmental investments by providing additional interest rate reductions based on carbon reduction levels.



Responsible Transformation



Priority Issues



Customer Experience and Satisfaction

Financial Inclusion and Financial Literacy

Related Capital Elements



Social and Relational Capital



Financial Capital

SDGs



Opportunities

- Increased market share and profitability through customer satisfaction
- Having greater efficiency in operations
- Creating new resource opportunities with innovative products
- Increasing the value created by the Bank through stakeholder capitalism
- Inclusion and employment of vulnerable groups

Risks

- Low risk of penetration in disadvantaged groups
- Risks of reputation and market loss due to customer dissatisfaction
- Poor understanding of complex financial products due to low financial literacy
- Legal sanctions and loss of reputation due to loss of customer information



With its “Responsible Transformation” approach, QNB Türkiye aims to maximize customer satisfaction and provide the best financial experience to all segments of society. To this end, the Bank develops user-friendly and accessible products, offers customized solutions for those with limited access to financial services, and increases financial inclusion. Through financial literacy programs for youth and women entrepreneurs, supporting their participation in financial life.

QNB Türkiye offers innovative solutions such as mobile banking, digital payment systems, and personalized financial advisory with a customer-focused and innovative perspective. It receives feedback from all communication channels and improves business processes for unconditional customer satisfaction. It actively uses feedback mechanisms to continuously improve customer experience and implements an effective system to address customer grievances. The Bank also handles the confidentiality and data security of customer information with great sensitivity and implements a data protection system in accordance with international standards.

Goals






Achieved



Ongoing



Not realized

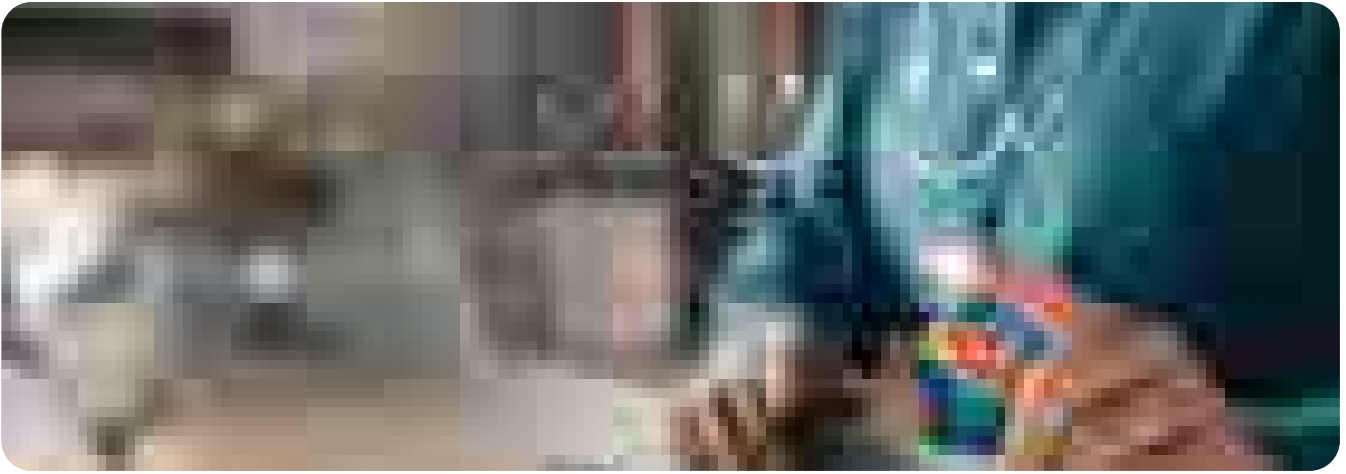
Goals for 2024	Realization Status	Goals for 2025 and Beyond
Maintaining the Customer Experience Score of the Digital Bridge Platform at 70% throughout the year	 2024: C-Sat70%	Maintaining the current goal
Providing sector-based specialized trainings on green transformation for field employees	 1,145 employees have been trained since 2023-end	Continuing to raise sustainability awareness of customer and field personnel for green transformation
Enhancing the sustainability page of the corporate website, which was created to increase the sustainability awareness of all stakeholders, with content to increase sustainability literacy	 Since 2023: 39 Blog posts 54 Useful links 64 Free Training 107 Library Content have been added	Continuing content development efforts

Performance indicators related to priority issues are given in the **Annexes - Key Performance Indicators page**.



Responsible Transformation

QNB Türkiye continuously improves its services and processes and develops innovative approaches to increase customer satisfaction by analyzing customer feedback received through all communication channels and using the valuable insights it gains.



CUSTOMER EXPERIENCE AND SATISFACTION

QNB Türkiye aims to understand the needs of its customers, offer the right solutions, and establish long-term and satisfaction-based business partnerships. The Bank continuously improves its services and processes and develops innovative approaches to increase customer satisfaction by analyzing customer feedback received through all communication channels and using the valuable insights it gains.

The Customer Experience Office, that has been playing an active role in customer experience management since 2015, consists of four teams as Customer Experience Management, Data Management, Evaluation, and Quality. These teams operate to measure customer satisfaction, identify areas of improvement, and support the Bank's business units in establishing basic business conduct principles.

The Bank analyzes customers' experiences in detail through Net Promoter Score (NPS) and Customer Satisfaction Score (CSAT) measurements. The Satisfaction Score Estimation Model developed by the Customer Experience Office uses machine learning algorithms to estimate the satisfaction levels of customers who do not participate in satisfaction surveys and identifies and reports products and transactions with low satisfaction levels. Previously, surveys were sent to new customers acquired through digital channels on the 7th day. However, starting in 2024, surveys started to be sent on the 30th day as well, allowing for the analysis of experience differences and the identification of opportunities to improve processes.

As of 2024, surveys, which were previously sent to customers who completed their transactions by connecting to a customer representative through Q Digital Intelligence after a certain period of time, started to be sent instantly. Through this feedback, the customer journey is analyzed, Q Digital Intelligence content is made easier and more understandable, and customer-focused improvements are made.



The Bank's quality team analyzes calls received through telephone based on criteria such as tone of voice, fluency, and accuracy of information. In 2024, this team was transformed into a research group, analyzing end-to-end customer comments, call recordings, complaints, and staff feedback via telephone and digital channels. These analyses are reported in the customer journey format, pain points are identified, and actions are taken to improve the failing elements in the processes.

In line with the goal of strengthening the customer experience, the "Voice of the Customer" exhibition was launched to emphasize the importance of customer feedback and raise employee awareness. In this exhibition, the positive and negative opinions of customers after their experiences were transformed into artworks using artificial intelligence (AI) technologies and presented to employees on World Customer Experience Day. This creative approach aims to raise employee awareness of the Bank's products and services by making customer views visible.

In 2024, satisfaction scores (CSAT) started to be measured in channels involving direct contact with agents as well. This measurement clearly distinguishes the impact of bank policies and factors such as service or behavior on customers, allowing actions to be channeled to the right place. In addition, these measurements, which contribute to the developments specific to campaign and application channels, constitute an important part of QNB Türkiye's vision, which aims for excellence in customer experience.

QNB Customer Experience Office received the Good Idea Award at the 6th Customer Experience Awards Türkiye (CX AWARDS Türkiye) with the "Voice of the Customer" project in 2024.

Net Promoter Score (%)	2021	2022	2023	2024
QNB Türkiye	51	55	57.3	52.7
Enpara.com	78	78.5	78	77.5



RESPONSIBLE PRODUCTS AND SERVICES

While offering comprehensive solutions to meet customer needs and expectations, QNB Türkiye acts in accordance with responsible banking principles and develops products and services that encompass all segments of society and encourage savings conscience. Offering special financing and savings products for micro and small enterprises and women entrepreneurs, the Bank closely monitors the financial performance of these groups and offers supportive solutions, particularly advantageous repayment rates.

Digital Banking Products and Services

QNB Türkiye, which aims to increase customer satisfaction by offering user-friendly and accessible solutions by leveraging the power of next-generation technologies and digitalization, develops innovative and customer-focused products to facilitate access to financial services and support customers in making more informed financial decisions. You can access all these products, services, and processes that adapt to new technologies and changing customer expectations in the **Digital Transformation and Innovation** section of the report.



Responsible Transformation

QNB Türkiye's mission is to increase savings awareness in all segments of society.

Products and Services for Increasing Awareness on Savings

QNB Türkiye's mission is to increase savings awareness in all segments of society. In addition to products that increase savings awareness, customers are informed about savings products through monthly bulletins sent to them via e-mail every month.

Gold Banking

QNB Türkiye offers safe and profitable solutions to its customers through Time and Demand Deposit Gold Account options, providing them with the opportunity to save. Gold Collection Days are organized at branches to ensure that the commonly referred to as "under the mattress," do not depreciate and are secured against the risks of loss and theft.

With the Gold Accumulating Account, customers are offered the opportunity to save a set amount of gold every month, while the services offered under Gold Banking also respond to different needs. Customers can receive gold bullion in multiples of 1 kilogram or more from branches, physically collect their bar gold, or transfer it to other banks through the Takasbank Gold Transfer System. QNB Türkiye offers, with these services, secure and practical solutions for gold savings and transfers.

Kumbaram Account

The Kumbaram Account allows customers to make regular monthly savings deposits in TL, USD, EUR, and GBP for as long as they wish.

In 2024, the current volume for Gold Accumulator and "Kumbaram" Accounts increased by 35% compared to the previous year, reaching TL 1.73 billion, while the current number of customers making payments for 3 consecutive months reached 95,987.

Fund Accumulating Account

The Fund Accumulating Account offers customers the option to regularly invest their savings in investment funds.

Savings Account with Overnight Interest, Lucrative Commercial Account, and Daily Yield Account

The Savings Account with Overnight Interest, Lucrative Commercial Account, and Daily Yield Account are advantageous options that offer customers the combination of the convenience of a demand deposit account and the gains of a time deposit account. The balance remaining above the specified lower limit is transferred to the time deposit account between the hours determined for the end of the day and daily interest earnings are provided. The demand deposit balance below the lower limit can be used by customers at any time. As of December 2024, the total balance in these account types reached TL 71 billion.

E-Time Deposit Account

The E-Time Deposit Account is a time deposit account with standard features that can be opened through alternative channels other than branches.

Thanks to the developments made in 2024, customer-based pricing models and instant campaigns were made applicable for E-Time Deposit Accounts as well. In addition, front-end enhancements that improve the customer experience in the QNB Mobile application were prioritized and completed by the end of the year. As a result of these developments, as of year-end 2024, the total number of E-Time Deposit Accounts increased by 82% compared to the previous year-end.

Foreign Exchange Protected TL Term Deposit Account

The Foreign Exchange Protected TL Term Deposit Account is a product that protects customers' savings against exchange rate changes.

In 2024, in line with the regulations of regulatory authorities, it is aimed to increase the share of TL time deposits that are not covered by exchange rate protection. As a result of the strategies employed, the balance of TL-denominated not exchange rate-protected accounts declined by 127% at the end of 2024 compared to the beginning of the year. As a result of these developments, the Bank's share of TL-denominated time deposit accounts market share realized 5.20% by the end of 2024.



Collaborations with QNB Asset Management

To increase the range of alternative products that customers can invest their savings within the Bank, new investment funds have been added to those offered under the umbrella of QNB Asset Management. In this context, FMG - QNB Asset Management Silver Hedge Fund, which aims to reflect the changes in silver prices to its investors by investing in silver and silver-based capital market instruments, was launched in April and reached a size of TL 841 million by the end of year. Also in April, the GRL - QNB Asset Management Aggressive Hedge Fund, which aims to generate capital gains and returns above the deposit index by investing in both Turkish Lira- and foreign currency-denominated assets in light of macroeconomic data, statistical analyses, and other assessments, reached TL 304 million in size.

In May 2024, DNM - QNB Asset Management Dynamic Allocation Hedge (Foreign Currency) Fund, which aims to provide investors with absolute returns in foreign currency by investing in foreign currency-denominated capital market instruments, was introduced to the market. As of year-end, the volume of DNM Fund amounted to TL 639 million. In August, the PPK - QNB Asset Management Money Market Participation (TL) Fund, which aims to offer stable returns in the short term in accordance with interest-free/participation finance principles for investors who want to convert their savings into cash at any time, was introduced to the market and reached a total size of TL 1.9 billion by the end of 2024.

In addition, a total of seven closed-end funds were offered for sale in 2024, six with US dollar and one with Euro inflows, and the total size of these funds amounted to TL 31.3 billion as of year-end.

Click [here](#) for detailed information about our products and services that increase savings awareness.

Earthquake Fund

QNB Türkiye established two different funds in collaboration with the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) to provide financial support to earthquake-affected regions. These funds aim to meet the financial needs of its customers struggling with the effects of the disaster. The EBRD fund offers loans to both individuals and legal entities, while the IFC fund is designed specifically for SMEs. Agreements totaling USD 107.5 million were reached with the EBRD, and agreements worth USD 110 million were made with the IFC.

QNB Türkiye has concluded agreements with International Financial Institutions (IFIs) to provide financial support to the earthquake-stricken region and mitigate the devastating effects of the earthquake that occurred on February 6, 2023. The Bank entered into an agreement with the EBRD for USD 107 million consisting of two tranches. By the end of 2024, the first tranche of USD 65 million of this amount has been disbursed and the second tranche of USD 42 million will be disbursed in the earthquake region in 2025. In addition, within the scope of the USD 110 million agreement concluded with IFC, Proparco, and EFSE, USD 110 million was disbursed in the earthquake region by the end of 2024. In 2025, it is aimed to extend this agreement and allocate USD 110 million, once again, in the earthquake region.





Responsible Transformation

With QNB TarımKart special for farmers, customers can benefit from the advantage of an interest-free period of up to 6 months and postpone their payments until the harvest date.



Inclusive Credit Card Products

QNB Türkiye aims to make the lives of its customers easier with the credit card products it offers for various segments of society.

QNB TarımKart

Since 2018, QNB TarımKart, exclusively for farmers, enables them to meet all their input needs for agricultural production during the year and make payments once a year on the statement cut-off date they choose according to the harvest season. In

addition, customers can postpone their payments until the harvest date by taking advantage of an interest-free period of up to 6 months for purchases made with QNB TarımKart at contracted merchants. In 2024, 1,924 customers benefited from TarımKart advantages.

QNB Emekli

QNB Emekli, a special credit card for pensioners, has been offering discounts and special advantages on grocery and pharmacy expenditures to pension customers since 2014. In 2024, there were 140,691 cardholders.

	2021	2022	2023	2024
Monetary value created with QNB Emekli (TL)*	1,225,746	2,424,592	5,520,221	7,715,165

*Monetary value based on net sales

QNB Hemşire

QNB Hemşire (Nurse) offers many privileged services to nurses, midwives, and healthcare professionals. In 2024, the number of cardholders reached 52,574.



RESPONSIBLE CUSTOMER COMMUNICATION AND MARKETING ACTIVITIES

In line with QNB Türkiye's goal of establishing strong and long-term business relationships with customers based on mutual trust, all information that will affect their decisions is provided to customers at the very beginning of the business relationship in a transparent, accurate, and complete manner. Communication and marketing activities are carried out in accordance with existing legal regulations, customer expectations, and the Bank's policies and procedures. Necessary controls are strictly carried out to prevent misleading information in marketing activities.

All new product and service launches and changes to existing products are evaluated and approved by the Compliance, Legal Counseling, and Customer Experience Office. During this process, detailed information is provided to customer representatives, and product training sessions are organized when necessary. Changes related to products are announced to customers through various channels. Changes in fees and commissions related to banking services and products are notified to customers at the beginning of each year; information on fees is made easily accessible at branches and instant information is provided during transactions.

Marketing strategies are developed in line with social sustainability goals, and utmost importance is attached to ensuring that information on products and services offered to customers is not misleading. In the promotion of eco-friendly or energy-efficient products, these features are clearly emphasized and presented differently from other promotions. In order to avoid greenwashing practices, the Bank carefully monitors the accuracy of the information used in promotions and carefully prepares marketing messages that include environmental and social responsibility themes.

QNB Türkiye conducts various special activities aimed at raising consumer awareness on sustainability. The Bank regularly shares sustainability-related activities on its social media accounts and creates engaging content for special occasions related to sustainability. These shares

aim to promote responsible consumption and sustainability awareness through organic access and interaction. In addition, the Bank reaches more users through advertising on digital media and regularly monitors visits to the [sustainability page](#), which provides detailed information on sustainability.

Through the Sustainability Finance Unit established under the umbrella of Medium-Sized Enterprises and Commercial Banking during the operating period, the Bank elevated its efforts to increase the knowledge and awareness of the real sector in this area to the next level.

Social media moderation and customer feedback processes are effectively managed through the customer contact center. The goal is to receive responses to 80% of messages within the first 60 minutes and 100% within 120 minutes. In line with year-end 2024 data, 95% of 114,843 messages were addressed within the first 60 minutes, 2% within 120 minutes, and 3% after 120 minutes.

In corporate banking, Foreign Trade Bulletins are prepared especially in relation to the foreign trade agenda and information is provided to both domestic and foreign customers. In this context, customers are provided with "How To" videos and animations on issues requiring technical support, and information is shared through external communication tools such as SMS, push notifications, or e-mails when necessary.

QNB Türkiye takes care to reflect responsible marketing principles in its work with suppliers and business partners and ensures that the materials used are in line with the Bank's ethical values. Responsible consumption and sustainability are promoted through digital marketing activities, and social responsibility themes (such as fair trade, ethical procurement, and local community support) are integrated into marketing messages.

During the reporting period, 65% of the Bank's employees received training on responsible communication and marketing. In 2025, it is aimed to increase this rate and create a wider awareness. QNB Türkiye continues to provide its customers with a reliable, transparent, and sustainable experience through responsible communication and marketing strategies.

Responsible Customer Communication and Marketing Activities	2021	2022	2023	2024
Number of Incidents due to Non-Compliance on Product and Service Information and Labeling	0	0	0	2



Responsible Transformation

Information security is managed with a risk-based approach in accordance with the international information security management system and is regularly updated considering the highest industry standards.



CYBERSECURITY AND CUSTOMER PRIVACY

As a result of banking in compliance with legal regulations and a customer-oriented business conduct approach, the Bank treats the issue of ensuring the confidentiality of customer information and data security with great sensitivity.

The ultimate responsibility for ensuring information security within the Bank lies with the Board of Directors. The Board of Directors is responsible for establishing effective controls over information systems and conducting effective oversight to manage the risks arising from their use in order to address information security management as part of Corporate Governance practices, allocate the necessary financial and human resources for the proper management of information systems, and ensure the confidentiality, integrity, and accessibility of information assets.

The Information Security and Cyber Security Committee, on the other hand, provides guidance and coordination for information security activities in order to oversee the establishment of information security policy and implementation of information security management on behalf of senior management. The Information Security Unit reports directly to the CEO, who chairs the Information Security and Cyber Security Committee.

Click here for QNB Türkiye [Information Security and Cyber Security Policy](#).

Information security is managed with a risk-based approach in accordance with the international information security management system and is regularly updated considering the highest industry standards. Furthermore, internal and external audits are conducted every year to ensure compliance with the requirements of the ISO 27001 are processed.

In order to protect the Bank and its customers against emerging cyber risks and threats, cyber security exercises are conducted and social engineering and awareness activities are carried out. In addition to these measures, training programs are organized and security bulletins are prepared to raise the awareness of customers and employees on the matter. In this context, all employees of the Bank completed the Corporate and Personal Information Security training for 2024.



DATA PROTECTION AND MANAGEMENT

QNB Türkiye considers it a fundamental priority to ensure the protection, confidentiality, and security of data in all data processing operations by utilizing technological and human resources in an integrated manner. Operating in compliance with the fundamental rights and freedoms protected under Article 20 of the Constitution, as well as the Personal Data Protection Law No. 6698 ("PDPL") and the Banking Law No. 5411, the Bank applies comprehensive measures and implements practices to ensure data security.

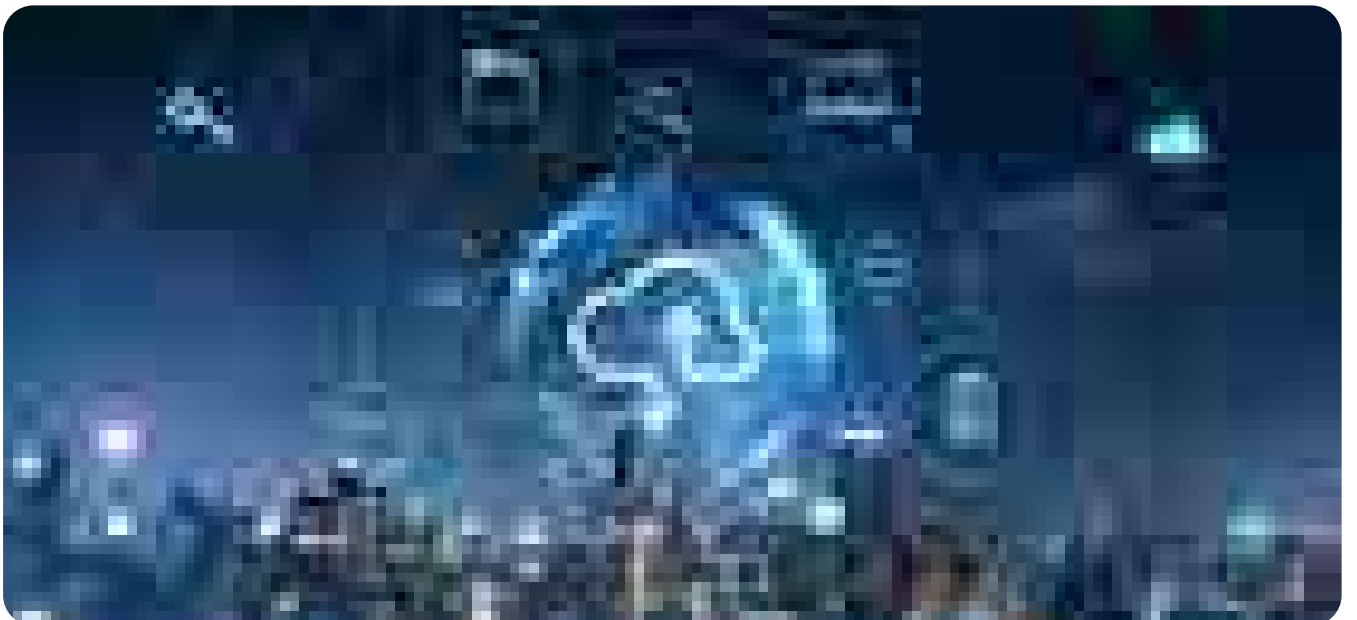
QNB Türkiye processes all data in compliance with relevant legislation, stipulated principles, and the rules of integrity. The Bank, which is registered with the Data Controllers Registry Information System (VERBIS) pursuant to the PDPL, ensures that information on personal data is regularly updated. Requests for the sharing of customer and bank secrets are evaluated by the Information Sharing Committee in compliance with legal regulations and efforts are made to ensure that such sharing complies with legal requirements; a Data Sharing Inventory is created and reported to the Banking Regulation and Supervision Agency ("BRSA") within the legal deadlines. In addition, documentation such as policies, procedures, instructions, and explicit consent texts for customers and employees are prepared and regularly updated.

The Bank ensures that personal data is processed in an accurate and up-to-date manner in compliance with its purpose, and takes care to ensure that the data is used only for lawful and legitimate purposes. In data processing processes, only the necessary data is processed, and when the reasons for the processing no longer exist, this data is deleted, destroyed, or anonymized. Requests and grievances regarding customer data are meticulously handled and responded to within legal deadlines, and in case of a possible data breach, the Personal Data Protection Authority is notified within 72 hours in accordance with the PDPL.

The Bank has developed systemic control mechanisms for the protection and security of personal data. E-mail contents are scanned based on specific criteria, and suspicious issues are quarantined and analyzed. In order to increase the data protection awareness of employees, regular trainings are provided and informative messages are shared on the intranet. In data sharing processes with third parties, the relevant articles of the PDPL are strictly adhered to, and additional security measures are implemented through framework agreements where necessary.

QNB Türkiye carries out new projects to strengthen data security and privacy. It is planned to integrate the personal data inventory created under the PDPL and the inventory for the sharing of confidential information under the Banking Law on the digital platform. This integration will contribute to more effective management of processes. The Bank is also developing new projects to enhance the security of data-sharing channels and continues to develop a glossary of business terms for business processes.

QNB Türkiye closely follows all regulations issued by the Personal Data Protection Authority ("PDPA") and the BRSA and integrates the decisions of data protection authorities in Europe into its processes. This approach ensures that the Bank's data security strategy is implemented in line with international standards.





Responsible Transformation

QNB Türkiye develops fast and innovative solutions to ensure that segments with limited access to financial services can access products and services more easily.

FINANCIAL INCLUSION AND FINANCIAL LITERACY

QNB Türkiye considers providing accessible banking services to all its stakeholders as one of its core strategies. The Bank develops fast and innovative solutions to ensure that segments with limited access to financial services can access products and services more easily. This approach aims to strengthen economic participation by increasing financial inclusion.

Improving financial literacy enhances customers' ability to access products tailored to their needs, while also establishing a strong foundation for sustainable financial relationships. In this context, QNB Türkiye offers content that raises financial awareness for various stakeholders. Digital Bridge Academy supports companies' digitalization processes and provides training materials and content to strengthen their financial literacy.

In addition, the QNB Türkiye Sustainability Website provides a comprehensive resource that aims to increase sustainability literacy through blog posts and the global news.

Digital Transformation in SME Banking: Digital Bridge
Pioneering digitalization in the banking sector, QNB Türkiye is committed to facilitating SMEs' access to financial services and transforming their business processes. In line with this vision, the Digital Bridge Platform has been operating as a unique solution center that responds to the banking and digitalization needs of companies since 2019.

Digital Bridge periodically analyzes the needs of companies to support their digital transformation processes and offers solutions increasing their operational efficiency. The platform facilitates SMEs' daily transactions and improves their business processes with more than 20 digital solutions such as e-invoicing, pre-accounting, e-commerce, and digital marketing. Currently, over 300 thousand customers access QNB Türkiye's corporate digital banking channels through Digital Bridge, while over 100 thousand users benefit from the platform's digital solutions.

The Digital Bridge Platform stands out as the channel with the highest customer satisfaction among the Bank's channels. Globally recognized for its innovative structure and wide range of solutions, the platform has proven its success with 19 prestigious international awards to date. In 2024, it continues to innovate by expanding its solution category.

Digital Bridge Academy, which aims to increase the financial and digital literacy of SMEs, is a training platform launched in 2020. Training contents that enable customers to effectively use the solutions offered by Digital Bridge allow them to closely follow the digital transformation trends in the sector. In 2024, the Academy will continue to further improve the financial and digital knowledge level of SMEs with its enriched content.

You can find more information about the Digital Bridge Platform in the [Platform Banking: Digital Bridge](#) section of the report.





SME Financing Credit Portfolio by Segment ^(*)	2021	2022	2023	2024
Micro Enterprises	14,461	29,995	37,615	52,918
Small Enterprises	13,279	27,019	33,186	46,540
Medium Enterprises	20,033	33,411	47,866	66,672
Total	47,773	90,425	118,666	166,130

SME Financing Customer Count	2021	2022	2023	2024
Micro Enterprises	211,705	242,866	247,529	244,276
Small Enterprises	32,455	32,219	30,473	33,882
Medium Enterprises	8,349	7,466	7,423	9,363
Total	252,509	282,551	285,425	287,521

Credit Guarantee Fund: SMEs and Entrepreneurship	2021	2022	2023	2024
Amount of credit provided to micro-scale companies (million TL)	100,582,515	209,174,289	197,970,877	96,549,998
Amount of credit provided to SMEs (million TL)	214,846,814	1,288,098,659	453,186,844	1,241,667,047
Loan portfolio provided to micro scale companies and SMEs (%)	47	16	44	8

	2021	2022	2023	2024
Loan/deposit ratio for SMEs (%)	124	126	98	113
Loan default rates for SMEs (%)	12	5	4	8
Income from loans and banking products targeting SMEs (TL)	374,883	702,287	1,781,771	3,565,463

^(*) Micro : number of employees are less than 10 and annual revenue between 0-10 mio as of 30 May 2023, 0 - 5 mio before 30 May 2023. Small : number of employees are less than 50 and annual revenue between 10 mio and < 100 mio as of 30 May 2023, between 5 mio and < 50 mio before 30 May 2023. Medium : number of employees are less than 250 and annual revenue between 100 mio and < 500 mio as of 30 May 2023, between 50mio and < 250 mio before 30 May 2023.



Responsible Transformation

QNB Türkiye supports sustainability and productivity in agriculture by playing a role in financing the agricultural sector, which has an impact on the national economy and economic development.

Support for Women Entrepreneurs and Turkish Exports

QNB Türkiye contributed to the “**Export Academy for Women**” project initiated by the Association of Women Exporters with the vision of supporting gender equality. This project aims to reduce gender inequalities and encourage women to take a more active role in the economy by empowering women entrepreneurs in e-commerce and e-export.

QNB Türkiye also organized a certificate program with Bahçeşehir University within the scope of the Step by Step Export Program, which was created to support exporters in Türkiye, by providing training to SMEs and commercial companies that want to improve their exports.

In 2024, in collaboration with the Association of Women Exporters (İKADE), the Step by Step Export package was offered to İKADE members with advantages. Another important output of the collaboration between the Bank and the association was the development of the Export Academy for Women program, which aims to boost the impact of women entrepreneurs in the field of exports and move them to a stronger position in global competition. The program, which aims to reduce gender inequalities in women’s entrepreneurship, provide solutions to socioeconomic problems through exports, and raise awareness in this field, offers a comprehensive training and mentoring model that supports women in increasing their knowledge and skills. In pursuit of its goals, the Academy offers an exemplary model that breaks new ground in Türkiye.





The project implemented with the support of QNB Türkiye aims to empower women entrepreneurs with tools such as beginner and advanced workshops, career coaching, social support, and financial counseling. Starting with the participation of 100 entrepreneurs in the first two weeks, the program reached more than 600 women entrepreneurs in 6 months.

Agriculture Sector and Support to Farmers

QNB Türkiye supports sustainability and productivity in agriculture by playing a role in financing the agricultural sector, which has an impact on the national economy and economic development. In addition to business and investment loans, farmers' short-term financing needs are met with the special Tarım Kart product for farmers. At the same time, promotional products are delivered to farmers to meet their daily needs. In the coming period, seminars are planned to be organized to increase farmers' knowledge on sustainability.

As of the end of 2024, the Bank had a total of 5,939 agricultural credit customers and provided TL 948 million in loans to the agricultural sector.

Barrier-Free Banking

As part of its commitment to inclusion, QNB Türkiye strives to ensure that all areas where it provides services are accessible to users with physical disabilities or over a certain age.

All ATMs have Braille alphabet stickers for visually impaired customers and headphone jacks for voice guidance. Furthermore, 1,500 ATMs have a responsive surface application, and 131 ATMs are specially designed for customers with orthopedic disabilities. In 2019, with the joint ATM usage project with DenizBank and TEB, we extended our services to a wider area and a wider audience, offering disabled customers the opportunity to make free transactions.

To improve accessibility features in branches, there are applications such as responsive surfaces, portable ramps, informative signs in Braille, counters with portable hearing induction loops, and sign language translation support through smart tablets. Moreover, special staff members are employed at the Call Center to allow our hearing impaired customers to receive services at the branches by communicating via video call. WebChat support is also provided to hearing impaired customers via the website.

In addition to physical improvements, training programs are organized during the year to increase the experience and knowledge of our field employees and customers as part of enabled banking.

With the inclusive banking approach, the Bank also started to publish banking contracts in sign language and audio narration during the year.





Sustainable Operations for the Future

Integrating the power of digital channels and innovation into its business processes, QNB Türkiye implements innovative methods and sustainable business plans to increase operational efficiency.







Operational Transformation

Priority Issues



Digital Transformation and Innovation

Operational Excellence and Business Continuity

Environmental Footprint Reduction and Impact Management

Sustainable Value Chain Management

Related Capital Elements



Intellectual Capital



Human Capital



Natural Capital



Financial Capital

SDGs



Opportunities

- Creating a competitive advantage as a preferred employer
- Ensuring operational excellence through business continuity
- Error-free operations with robotic automation
- Increasing market share through the diversity of digital solutions
- Reducing third-party risks through responsible procurement practices
- High level of accessibility and competitive advantage provided by the multi-channel strategy
- Savings achieved through efficient environmental operations

Risks

- Financial losses and customer dissatisfaction due to business interruptions
- Cybersecurity risks
- Loss of skilled workforce
- Risks that may arise due to unethical behaviors of suppliers
- Penalties that can be imposed due to the environmental impact of operations



QNB Türkiye meticulously manages the environmental impact of its operations in line with its Operational Transformation approach, aligning its processes with the “1.5-degree” scenario in compliance with Türkiye’s 2053 net zero emission goal. In order to maintain uninterrupted and efficient operation, the Bank

anticipates potential risks and takes necessary actions. Integrating the power of digital channels and innovation into its business processes, QNB Türkiye implements innovative methods and sustainable business plans to increase operational efficiency.

Goals



Achieved



Ongoing



Not realized

Goals for 2024	Realization Status	Targets for 2025 and Beyond
Realization rate of financial transactions through retail digital channels being above 93%	2024: 96.2%	Maintaining the current target
Maintaining the climate-friendly structure of online platforms	✓	Maintaining the current target
Increasing the number of hybrid vehicles in the Bank’s Vehicle Fleet	✓ The Bank added 60 vehicles to its vehicle fleet in 2024	Maintaining the current goal
Completing Solar Power Plant (SPP) installations to meet the electricity consumption of the Bank’s operations by the end of 2025	▶	Maintaining the current goal
Aligning the carbon footprint of the Bank’s operations with Türkiye’s 2053 Net Zero target	▶	Maintaining the current goal
Continuing to procure all of the Bank’s electricity consumption from clean energy sources	✓	Maintaining the current target
Reducing total paper consumption by 20% in 2024 (Base year: 2021)	✓	Maintaining the current goal
Establishing an internal audit team for water pollution audit under ISO 14001 and switching to products that consume less water and generate less wastewater by updating our equipment	▶	The target has been revised as the establishment of an internal audit team within the scope of ISO 14001 and auditing that the environmental aspects in all operations of the Bank are managed in accordance with the environmental management system.
Completing the transition to drinking water treatment devices in the Head Office buildings	✓ The transition has been completed in all headquarters and branches.	Maintaining the current target
Reduction of 5% (m3/person) in water discharge and 3% (m3/person) in water consumption (withdrawn water) by 2025 (base year: 2022)	▶	Maintaining the current goal
Increasing the number of female suppliers in procurement processes by up to 10% each year for 5 years (base year: 2022)	✓	Maintaining the current goal
Maintaining the digital platform active retail customer ratio around 83.1% in 2024, which was 83.1% in 2023	✓ 2024: 85%	Maintaining the current target
Obtaining ISO 50001 Energy Management System Certificate for Crystal Tower and Ümraniye operation building	✓	Maintaining the current target
Implementation of an online platform where the environmental and social impacts of suppliers can be evaluated in detail in all procurement processes in order to digitalize procurement processes	▶	Completion of the platform in 2025

Performance indicators related to priority issues are given in the [Annexes - Key Performance Indicators](#) page.



Operational Transformation

QNB Türkiye, maximizes customer experience by developing innovative products and services as well as processes focused on speed, efficiency, and accessibility, while at the same time advancing its sustainable growth goals by minimizing its environmental impact.

DIGITAL TRANSFORMATION AND INNOVATION

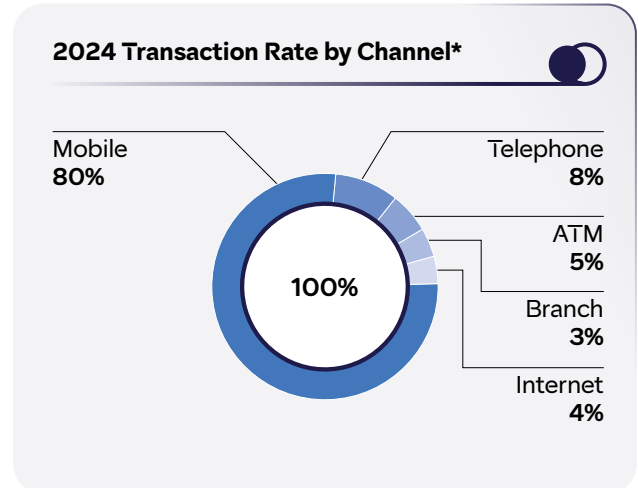
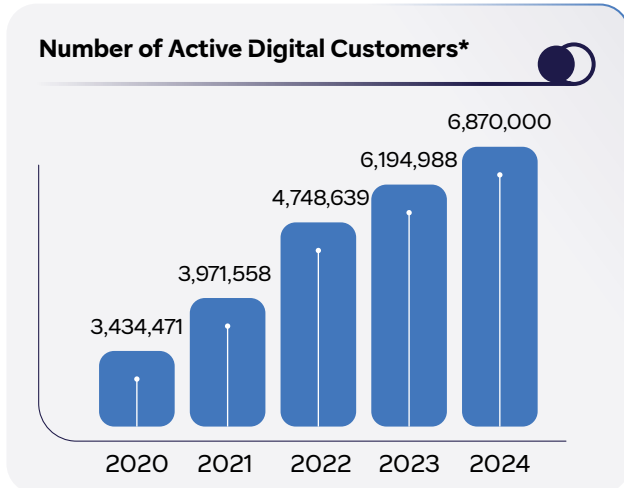
As digitalization radically changes customer expectations and interaction models in the banking sector, QNB Türkiye is working relentlessly to be at the forefront of this transformation. The Bank maximizes customer experience by developing innovative products and services as well as processes focused on speed, efficiency, and accessibility, while at the same time advancing its sustainable growth goals by minimizing its environmental impact.

With this approach, QNB Türkiye continued to invest in digitalization in 2024. As of the end of the period, the ratio of active retail customers using QNB Mobile reached 85%, while the ratio of financial transactions through retail digital channels was 96.2%.

For frequent transactions such as deposits/withdrawals, loan payments, credit card payments from the account, bill payments, and payments for games of chance conducted via ATMs, receipts are no longer issued. Instead, customers are redirected to QNB Mobile for tracking their transactions. The project, launched in May, has so far eliminated the issuance of receipts for 31.1 million transactions, leading to cost savings of TL 1.8 million on paper.

Thanks to the open banking approach, customers with accounts at various banks can monitor all their bank accounts on a single screen and transfer money from any account they want via QNB Mobile without having to switch between different bank applications.

With the Request Payment function recently added to QNB Mobile, customers can request money transfers from anyone they wish. Upon the approval of the payment requests sent, the requested amount of money is transferred. Companies can also use these features via the Digital Bridge Platform and mobile application.



Number of Transactions by Channel*	2020	2021	2022	2023	2024
Internet	80,747,925	71,879,237	70,711,581	108,507,812	128,963,610
Mobile	326,854,022	698,993,068	1,367,821,094	2,207,114,023	2,765,362,211
Telephone	174,678,380	187,425,067	190,810,388	258,994,600	265,112,993
ATM	151,445,467	124,490,808	154,748,251	166,099,746	169,901,848
Branch	107,745,775	102,704,239	110,679,473	115,866,106	108,280,378

* Calculated by consolidating retail and commercial customers.



Customer acquisition via QNB Mobile remained to be one of the most significant focal points of digitalization efforts in 2024. In line with this strategy, 901 thousand people, representing approximately 51% of new customers, became customers of the Bank through this digital application in 2024. In order to render the process of becoming a customer faster, easier, and more enjoyable, continuous improvement studies are carried out and various campaigns are organized. Owners of sole proprietorships and limited liability companies can also easily become QNB Türkiye customers through Digital Bridge Mobile Banking.

As part of the Profitable Customer of the Month program, customers who meet certain criteria can choose two of the following three advantages: discounts in digital platforms, interest advantage in some products and transactions, and cost-free transactions. Throughout 2024, 1.2 million Bank customers were included in this program and enjoyed the advantages of digital banking experiences.

In 2024, comparing with the same period of the year 2023, there was 126% year-on-year growth in the number of payment technologies used, with a 3.58-fold growth in QR payments with credit cards and a 0.72-fold growth in NFC payments. In addition, digital payment solutions for debit cards were made available to customers in 2023.

GSPara: Digital Banking Experience for Galatasaray Fans

In 2024, QNB Türkiye developed GSPara, a digital banking application designed specifically for Galatasaray fans. Users can open demand deposit TL accounts, make free money transfers 24/7, and apply for credit and debit cards through the application. They also have the opportunity to invest their savings through time deposit accounts and withdraw cash advances from ATMs using their credit cards. While providing a secure banking experience, GSPara also offers its users the opportunity to benefit from many privileges associated with Galatasaray Sports Club.

Launched in 2022, FAST transfers from account via POS grew approximately 2.5 times in 2024 compared to the previous year. With the migration of early blockage removal instructions to QNB Mobile, one of the projects implemented to increase the use of digital channels, the ratio of requests from this mobile channel increased from 77% in 2023 to 83% in 2024.



Operational Transformation

QNB Wallet is the only digital wallet solution in Türkiye that provides services to companies with the “Wallet as a Service” model within the bank.

QNB Wallet

QNB Wallet is a fast and secure electronic wallet infrastructure launched by QNB Türkiye with a Wallet as a Service-WaaS structure and integrated into the mobile applications of business partners, enabling companies to create their own wallet systems.

Although there are many alternatives and prominent applications in the wallet front-end business model in the FinTech and PayTech fields in Türkiye, the “Wallet as a Service” model, which allows business partners to offer digital wallet infrastructure with their own brands and enables their customers to experience the wallet experience in the application they currently use and meet their basic financial needs, remains quite limited. QNB Wallet is the unique solution in Türkiye providing services to companies with a WaaS business model within the bank. Companies integrating the digital wallet solution into their own applications enable their users to perform many banking services such as topping money to their wallets, transferring money between wallets and from wallet to bank 24/7, withdrawing money from ATMs, paying bills, or making domestic and international purchases with prepaid cards through mobile applications without having to be a bank customer.



The Bank continued to develop many digital innovations in 2024 such as withdrawing and depositing money with QR, NFC payment function (mobile contactless payment), and opening accounts at ATMs with video calls via QNB Mobile. The use of the Chatbot platform, including within the Bank, has been expanded; efforts were carried out to enable biometric verification with Near Field Communication (NFC) for smart ID cards (chip cards) in mobile phone update and sim card unblocking transactions in order to increase security in identity verification and facilitate processes in transactions carried out in branches.



Supported by QNB Wallet infrastructure, MonoKart takes the traditional banking experience to the next level with its eco-friendly digital and smart solutions.

QNB Wallet - MonoKart

In 2023, in cooperation with the Mono brand, prepaid cards produced from recycled materials were made available to customers. Supported by QNB Wallet infrastructure, MonoKart takes the traditional banking experience to the next level with its eco-friendly digital and smart solutions. With the tree planting program established by MonoKart for green projects and carbon offsetting, users contribute to renewable energy projects by giving regular tree planting instructions.

By reducing the use of physical cards with the QR code payment option through virtual cards, an eco-friendly digital payment method was made available to customers. By eliminating printed invoices, receipts, and other paper-based processes with the digital slip generated after MonoKart transactions, it reduces natural resource consumption and contributes to building a sustainable world.

As of 2023, prepaid virtual or physical MonoKarts were also used as meal cards for QNB employees. In 2024, under the MonoYemek brand, MonoKarts became valid for meal payments of both subsidiaries and third-party companies. A total of 33 companies were enabled to receive meal payments through QNB Wallet.



Mono Business Card

In 2024, QNB Türkiye took a pioneering step in the sector by combining its sustainability and digitalization vision and launched the QNB Digital Business Card. The Bank's employees can now easily share their digital business cards, which are integrated with the Mono application, with a link or QR code.

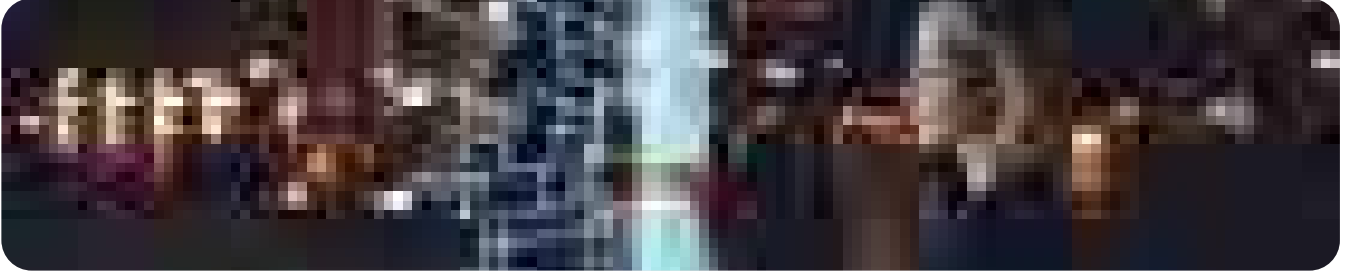
With this application, QNB Türkiye has taken an innovative step in the communication world of the future by preventing paper waste and once again demonstrating its sensitivity to the environment.





Operational Transformation

QNB Türkiye uses artificial intelligence ethically and effectively.



Lidy: Smart Solution for Informed Financial Decisions

Lidy enables individual and corporate users to easily compare financial products, making it possible for them to make informed decisions and access banking services faster. Thanks to its simple and user-friendly interface, Lidy allows even individuals with low levels of financial literacy to use the platform effectively. Lidy, which lists advantageous offers in collaboration with 15 banks in the market, facilitates users' access to the most suitable financial solutions. In the coming period, the Bank aims to offer a personalized experience by launching the Hızlı Kredi (Fast Loan) solution and mobile application.

A comprehensive digital banking experience continues to be offered to customers with transactions such as the easy transition to e-Government, TL top-up to İstanbulkart, and Easy Address Money Transfer. In order to provide better service, QNB Türkiye allocates resources and time to innovation efforts in areas such as artificial intelligence, machine learning, and big data analysis.

Personalized Banking Assistant: Digital Intelligence Q:

The Bank's digital assistant Digital Intelligence Q, which is available on QNB Mobile, continues to develop day by day with the innovative solutions it offers to customers. Q, a digital banking assistant that makes a difference in the banking sector, learns its customers' regular transactions with pattern recognition technology and provides timely reminders by making warnings in critical situations. With the capability to deliver a personalized experience, it builds a strong engagement with customers through its user-friendly interface.

In 2024, new developments were made in areas such as warning and information scenarios created for card transactions and open banking definition suggestions. Preferred by more than 60% of customers using mobile banking, Q increased the number of its customers by 25% year-on-year and achieved a reactive customer understanding rate of 98%.

QNB Türkiye has been focused on improving customer services and banking experiences by adopting responsible artificial intelligence practices. Within this context, the Bank aims to protect the privacy and security of customer data while providing efficient and personalized services through systems developed in line with ethical artificial intelligence principles. By encouraging artificial intelligence to play a supportive role for employees, the Bank aims to establish balanced collaboration between humans and machines. For example, the digital intelligence Q connects the customer to the customer representative when it receives customer inquiries that need to be answered by a real customer representative. This approach increases both customer satisfaction and employee productivity. QNB Türkiye uses artificial intelligence ethically and effectively.



In order to increase efficiency in internal processes and minimize user-related errors, the Bank implements supportive artificial intelligence studies. Within this scope, deep algorithm studies are being carried out in the following areas:

- Document reading and classification, prioritization by transaction type,
- Document content availability and accuracy check,
- Automatic display of document reading results on the screen.

Widespread use of the Chatbot (RuBi) application, which was developed to enable employees to access information, documents, guidance, and instructions that they currently obtain using various platforms on a single platform, has been achieved.

Contribution to the Entrepreneurship Ecosystem with QNBeyond

QNBeyond, established in 2018, is QNB Türkiye's innovation center and consists of 4 main units: Innovation Lab, Intrapreneurship Program, Accelerator Program, and QNBeyond Ventures.

The **Innovation Lab** is where the Bank's experimental projects are conducted and implemented. The solutions developed within the lab aim to introduce innovative technologies to the banking ecosystem, enhancing the overall customer experience.

One of the lab's initial products, the AI-powered digital assistant Q, has been designed to recognize customers, track their financial transactions, and provide timely reminders. By delivering proactive recommendations tailored to customer needs, Q facilitates banking transactions, making them more seamless and accessible.

Additionally, the Innovation Lab has led the development of projects such as QNB Cüzdan, Mono, and Lidy, which were initiated based on customer needs and have contributed to the creation of new revenue streams.

The **Intrapreneurship Program** aims to promote and support an innovation culture throughout the Bank and to strengthen its competitive position with new products and services. In this context, the Idea Camp has been organized since 2019 and provides an incubation environment for employees to bring their creative ideas to fruition. To date, a total of six ideas, including three spin-offs, have been implemented under the Program.

The "Israfvar" Project, developed within the scope of the Idea Camp, was piloted in the last quarter of 2023 to enable QNB Türkiye employees to report waste or inefficient use that they notice. In the last quarter of 2024, the project was rolled out across the bank and received a total of 30 notifications, including the pilot period. As of 2024, it is planned to develop the website of the Israfvar platform, publish all actions and projects as examples of good practices, and expand the application to the entire Bank and its subsidiaries.

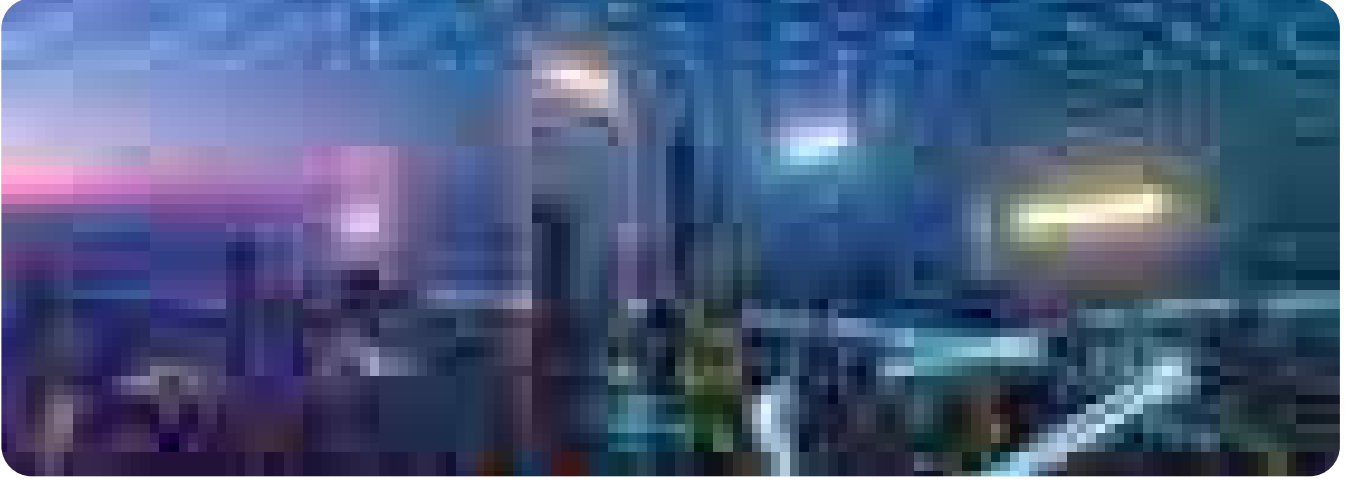
The Idea Camp Training Program, launched in 2023 for employees who are interested in entrepreneurship and want to learn the basics of entrepreneurship, started its second cycle in 2024. Participants are supported with content such as videos, books, and articles on entrepreneurship and have the opportunity to undergo the processes experienced by an entrepreneur through workshops and assigned tasks.

QNB Türkiye's digital assistant Digital Intelligence Q, which is available on QNB Mobile, continues to develop day by day with the innovative solutions it offers to customers.



Operational Transformation

QNB Türkiye has been offering advantageous and cost-free services to its retail customers with its branchless digital banking service Enpara.com since 2012.



QNBeyond Ventures invests in early-stage startups in strategic areas and supports their growth. In 2024, QNBeyond Ventures invested in two new companies. Also participated in the new rounds of existing portfolio companies such as HockeyStack and Kiralarsin.

QNBeyond Accelerator Program provides comprehensive support to help early-stage startups grow their businesses. Beyond financial support, the program guides entrepreneurs through business development, product-market fit, and investment processes, setting them on a path to sustainable growth. As part of the program, startups have the opportunity to collaborate with QNB Türkiye, pair with sponsors at the level of CEO and Executive Vice Presidents, receive mentorship, benefit from grants, receive investment from QNBeyond Ventures, and have access to a network of mentors and partners. To date, 51 startups that have graduated from 6 cohorts have raised a total of \$150 million in investment and developed various collaborations with QNB Türkiye. In 2024, 8 startups, Apollo, Bruin, Boston Quantum, Clave, Covalent, EcoTrove, Scrape.do, and Infrastack, successfully completed the 6-month program. QNBeyond is also a member of the Here2Next platform, which was established to enhance and expand corporate-startup collaborations. Through this platform, it aims to contribute more broadly to the entrepreneurial ecosystem.

Digital Channel Services with Enpara.com

QNB Türkiye has been offering advantageous and cost-free services to its retail customers with its branchless digital banking service Enpara.com since 2012. Reaching a total of 7.2 million retail customers, Enpara.com has also been serving in the SME segment under the Şirketim (My Company) brand since 2016, increasing the number of customers in this segment to 260 thousand.

Standing out in the field of remote customer acquisition, Enpara.com acquired 80% of its retail customers via video calls in 2024.

In line with the importance it attaches to customer satisfaction, it stands out with its Solution Center that provides fast access, field team that visits customers, and its simple and user-friendly design. Enpara.com has received countless positive feedback thanks to the excellent customer experience it has created, reaching a Net Promoter Score of 77.5% as of 2024.

QNBeyond Ventures

QNBeyond Ventures, a corporate venture capital investment fund that invests in early stage technology startups and Venture Capital (VC) funds in Türkiye and around the world, aims to have an advantageous position that adapts to the future structure of banking.

QNBeyond Ventures invests in initiatives aimed at enriching R&D activities, reducing competitive risks and understanding emerging technology and business trends.



PLATFORM BANKING: DIGITAL BRIDGE

The Digital Bridge Platform and mobile application were strengthened in 2024 with many innovations that respond to the banking and digital needs of businesses. These developments were determined and implemented by carefully evaluating the feedback received from sector analyses, customer surveys, and digital platforms.

The Digital Bridge not only facilitates business processes with the comprehensive solutions it offers to businesses but also makes significant contributions to sustainability with its eco-friendly properties. More than 300 thousand customers accessed the Digital Bridge through QNB Türkiye's corporate digital banking channels, while the number of users benefiting from the platform's digital solutions exceeded 100 thousand. Responding to the rapidly changing needs of businesses, this innovative platform stands out as a guide and a powerful solution partner in the digitization journey.

In 2024, QNB Türkiye's digital solutions platform for businesses, Digital Bridge, continued to enable businesses to meet all their needs from a single point through solutions in banking transactions, e-transformation, e-commerce and other areas. Restaurant and Café Management, Human Resources, Complementary Health Insurance, Sustainability, Consultancy, and e-export solutions have been added to the platform with improvements made in line with customer feedback and sector analysis. Thus, businesses have made their business processes efficient by meeting their needs with more comprehensive solutions. Currently, the Digital Bridge Platform offers over 20 digital solutions in addition to banking transactions.

The Carbon Footprint Management Solution offered within the scope of sustainability was one of the notable innovations in 2024. This solution enabled companies to measure their carbon footprint, make offsets, develop carbon strategies, and benefit from many grant and loan opportunities. The process of being a customer without visiting a branch, which was only available for sole proprietorships last year, was extended to limited liability companies with a single partner in 2024.

With the improvements made to Digital Bridge Mobile Banking, customers can easily access e-Transformation solutions by directly switching to QNB eSolutions Mobile Application. This innovation has improved the user experience and saved customers' time. Another development realized in the second half of the year was the migration of the Internet Banking menus used by businesses to the Digital Bridge Platform. Thus, companies are now able to manage all their banking and digital needs from a single screen.

The Digital Bridge Platform enabled businesses to meet their banking and digital needs from a single point with more than 20 solutions offered in 2024.



Operational Transformation

Thanks to the innovations and unique features of the Digital Bridge, QNB Türkiye was awarded 7 prestigious international awards from major award organizations in 2024.



In 2024, the “Lifetime Unlimited e-invoice” campaign continued and companies working with QNB Türkiye kept reducing their paper consumption by using e-invoices free of charge. In addition, solutions offered on the Digital Bridge Platform continued to be offered free of charge or at discounted prices. In addition, support was provided to meet the needs of businesses with financing solutions such as discounted loan campaigns specific to digital channels, advantageous banking packages, and competitive deposit interest rates.

The Digital Bridge Academy has been enriched with new content to increase the knowledge of companies in their digitization processes. In addition to videos on the use of solutions on the platform, content has been added to support financial management, sectoral trends, and decision-making processes. In addition, in collaboration with X Academy, SMEs were able to participate in online trainings and receive certificates without the need for any application process. In 2024, Digital Bridge continued to guide companies on their digitalization journey and offer sustainable solutions.

Digital Bridge expands its award collection

Thanks to the innovations and unique features of the Digital Bridge, QNB Türkiye was granted 7 prestigious international awards at major award organizations in 2024, bringing the number of awards won by the platform to 19 to date:

- ✓ Customer Centricity World Series Awards - Best Corporate Mobile Banking Application
- ✓ Euromoney Awards for Excellence - Türkiye's Best Bank for SMEs
- ✓ Global Finance
 - Best Integrated Corporate Banking Platform - Western Europe
 - Best Integrated Corporate Banking Platform - Türkiye
- ✓ Stevies - International Business Awards - Sustainability Service of the Year - Bronze Stevie - Europe
- ✓ TikTok Ad Awards - (Saraylı Mefruşat)
 - Community Core - Gold - MENA
 - It's the Creative for Me - Silver - MENA



OPERATIONAL EXCELLENCE AND BUSINESS CONTINUITY

Business Continuity

QNB Türkiye considers business continuity one of the fundamental requirements for continuous banking operations. A comprehensive Business Continuity Plan is in place to ensure the uninterrupted continuation of operations in the event of cyberattacks, natural disasters, or other unforeseen incidents. This plan covers the Bank's processes, resources, employees, and all aspects of the Bank and is organized in line with the strategies and objectives set out in the Business Continuity Policy. Prioritizing customer satisfaction and experience, this plan covers all types of emergencies, from small-scale incidents to major disasters.

The plan is updated at least once a year and includes committees and responsible teams to ensure that quick and effective decisions are taken in a crisis. With the Business Continuity Management Plan, the crisis management team makes quick decisions during a crisis and resolves problems as soon as possible. Protecting employee health and safety, assessing incidents, controlling the threat, activating alternative operations, and effective communication management are the main objectives of this plan.

In the event of interruption of banking transactions, products, and services as well as other activities, QNB Türkiye conducts Business Impact Analyses with all business units to determine the impact of financial and legal obligations, customer relations, and reputational issues and prioritizes recovery.

The Bank takes a series of measures under the name of "Disaster Recovery" against situations such as data loss and system failures. Backup and recovery systems, data recovery plans and regular testing processes are implemented in this context. Disaster Recovery tests, which are conducted once a year, ensure that systems are checked for their functionality and prepared for any disruption. Hardware and information access systems required by various business units were established at alternative locations to maintain operations in a crisis and unexpected situations.

Against risks such as natural disasters and extreme weather conditions, the Integrated Disaster Management Program was put into operation. This program, launched in 2023 after the Kahramanmaraş earthquake disaster, aims to improve the Bank's preparations for such disasters, increase its security, and provide uninterrupted banking services. As part of its geographical redundancy strategies, redundant office plans were developed in a city with minimal earthquake risk, accompanied by the signing of long-term lease agreements. In addition, efforts are underway to build a new Main Data Center to ensure that the technological infrastructure is earthquake-resistant.

A comprehensive Business Continuity Plan to ensure the uninterrupted continuation of operations in the event of cyberattacks, natural disasters, or other unforeseen incidents.



Operational Transformation

QNB Türkiye builds its operational excellence approach on making safe and efficient business processes sustainable.

Operational Excellence

Operational risks have the potential for internal systems to be damaged, directly or indirectly, as a result of people, processes, or uncontrollable external factors. QNB Türkiye builds its operational excellence approach on making safe and efficient business processes sustainable. In this context, effective management of operational risks is addressed as a key priority. Operational risks are regularly defined and assessed in all business units of the Bank. Risks are identified and minimized with a proactive approach using tools such as Risk Control Self-Assessment (RCSA) and Key Risk Indicators (KRI).

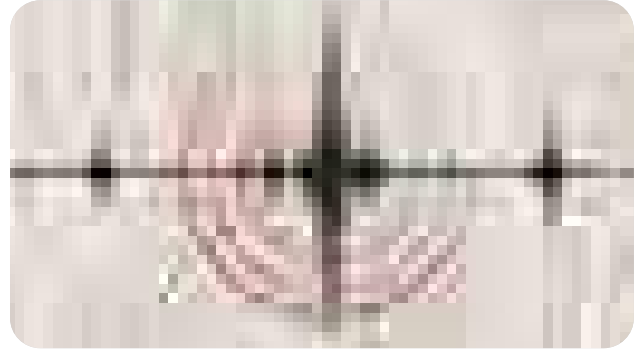
During the design of new processes and products, potential risks are analyzed in detail, and preventive measures are taken in line with legal and regulatory compliance. Past incidents are assessed through “lesson learned” analyses and this information is used to develop more effective control mechanisms for future risks. This approach aims to enhance operational resilience and ensure a sustainable business environment.

Launched in 2024, the Branch Scorecard Project aims to prevent misconduct risks and operational failures in branches. With this project, the Bank aims to create a more efficient working structure. In addition, regular training programs are conducted to improve operational processes and raise employee awareness.

To ensure that operational excellence goals are achieved, key performance indicators (KPIs) are used, and these metrics are regularly monitored. Potential problems are identified in advance by analyzing risk metrics and loss databases, and necessary controls are implemented.

Customer feedback is considered as an important source for improving operational processes, and situations that may pose a reputational risk are meticulously monitored. Such situations are handled in the relevant committees and monitored regularly.

The Bank adopts international standards in its operational excellence processes and meticulously follows Basel practices and BRSA regulations. It aims to increase operational resilience and process reliability by ensuring full compliance with these processes.



EMERGENCY ACTION:

These are emergency actions that must be taken to ensure the safety of employees, the physical environment, and infrastructure in the first minutes and hours after an event occurs that disrupts the normal functioning of the Bank.



CRISIS MANAGEMENT:

Events that affect and interrupt the Bank's core activities and business are considered 'crises' and are managed from a strategic perspective with the participation of senior management.



BUSINESS RECOVERY:

Since the Bank's normal operations would be interrupted during emergency and crisis management, the improvement of products, processes, and services may adversely affect its financial position, customer relations, legal obligations, and image.



Earthquake Commission and Integrated Disaster Management Master Program

As our country is located in an earthquake zone, the Bank established an Earthquake Commission in 2023 in order to be prepared for earthquake disasters. The following projects were implemented as part of the Integrated Disaster Management Master Program, which was initiated to increase awareness of earthquake risks and be more prepared:

Project Name	Finalized	Ongoing	New
Disaster Management Project,	3	2	2
Organizational Resilience Projects,		1	
Employees and Their Families Projects,		5	
Support Services		2	
Safe Life Projects,	2	2	
Operational Resilience Project,	8	2	
Technological Resilience Project,	1	3	
Reputation and Social Responsibility Project	2	2	
Total	16	19	2



Operational Transformation

In 2024, QNB Türkiye entered the Global A List in the Climate Change Program, making it one of the 346 companies among 23,202 reporting companies.

ENVIRONMENTAL FOOTPRINT REDUCTION AND IMPACT MANAGEMENT

With a commitment to a sustainable future, QNB Türkiye adopts a proactive approach to reduce the environmental impact of its operations. Accordingly, it takes care to improve its environmental performance and protect natural resources by acting with the principle of continuous improvement. The Climate Transition Plan, prepared in line with Türkiye's 2053 Net Zero Emission goal and the 1.5 degree scenario of the Paris Agreement, focuses on the direct and indirect impacts of operations on the environment. In this context, the direct and indirect environmental impacts of operations are meticulously analyzed and mitigation goals are resolutely implemented. Published in 2021, the Environmental and Social Risk Management Policy is an important guide that shapes QNB Türkiye's approach to managing environmental and social risks.

Global Success in Combating Climate Change and Addressing Water Security

QNB Türkiye took its place on the Global A List with its high performance in the CDP Climate Change and Water Security Programs in 2024. The Bank has reinforced its leadership in environmental responsibility on a global scale with the contribution of its 14,541 employees, including its subsidiaries.

Continuously enhancing its waste management systems in line with its Zero Waste goal, QNB Türkiye implements comprehensive policies to reduce plastic usage and minimize the environmental impact of its supply chain.

In line with the ISO 50001 Energy Management System standard, energy consumption is regularly monitored in all of the Bank's operations and value chain, and innovative projects are implemented to increase efficiency. Energy consumption is minimized through innovative cooling technologies used in data centers, and the environmental impact of operational processes is reduced through eco-friendly solutions such as waste heat recovery. In addition, water efficiency practices are implemented within the scope of protection and effective management of water resources, and water consumption and environmental impacts are considered in detail in project financing assessments.

The Bank works diligently to reduce waste generation at source, encourage recycling, and dispose of waste in eco-friendly methods. Continuously enhancing its waste management systems in line with its Zero Waste goal, QNB Türkiye implements comprehensive policies to reduce plastic usage and minimize the environmental impact of its supply chain. In this context, three head office buildings have TÜVSÜD-approved ISO 14001 Environmental Management System certificates.

The Bank offers regular training programs for employees and managers to raise environmental awareness. In 2024, employees' knowledge was enhanced through training on topics including ISO 50001, ISO 14001, Zero Waste, Environmental Awareness, Green Transformation, and the Climate Finance Market.

In 2024, QNB Türkiye fully complied with environmental regulations with its operations and did not receive any fines. Its expenditures for environmental protection investments during the period amounted to TL 15.48 million.

- Recycling equipment valued at **TL 1.37 million** was procured for branches as part of the Zero Waste Project.
- In order to reduce plastic and glass waste in all branches and Head Office buildings, water purifiers were rented for 2 years for **TL 7.08 million**.
- LED luminaires valued at **TL 6.5 million** were procured to increase energy efficiency in the Head Office buildings.



Waste Management

QNB Türkiye continued its waste minimization and recycling efforts in 2024 as part of the Zero Waste Project, which was initiated in the previous year. In the first phase of the project, in accordance with the Zero Waste System Installation methodology of the Ministry of Environment, Urbanization and Climate Change, all waste types generated in the main buildings were mapped, temporary waste storages were established in 3 Head Office buildings, and this practice was started to be expanded to branches. By the end of 2024, Zero Waste Certification has been obtained for a total of 295 branches, and the certification process is ongoing for the remaining branches. In addition, zero waste equipment was sent to all branches and Regional Directorates, and conversion processes were initiated. The system is planned to be further professionalized in 2025 to increase effective waste separation and recycling efficiency.

Throughout the Bank, packaging waste is collected and recycled by the relevant municipalities. Waste sorting bins to be placed in branches aim to collect waste such as paper, plastic, glass and metal separately, thereby increasing recycling efficiency and minimizing environmental impact.

In order to support the sustainable implementation of waste management at the operational level, an environmental engineer is employed at the Head Offices and environmental and waste officers reporting to this engineer are employed at the central locations. These experts meticulously coordinate processes to achieve Zero Waste goals.

In 2023, the Digital Slip practice was launched in order to reduce the use of paper within the framework of sustainability efforts. The Digital Approval Platform enables 92% of transactions to be conducted paper-free, reducing the environmental footprint while enhancing efficiency in business processes.

Outcomes of Zero Waste Implementation:

Amount of packaging waste recycled in the Head Office buildings in one year throughout 2024,

- 11 tons of plastic waste was recovered, preventing nearly **451 kg of CO₂e** greenhouse gas emissions.
- 138 tons of paper waste was recovered, preventing nearly **24 tons of CO₂e** greenhouse gas emissions.
- 39 kg of glass waste was recovered, preventing nearly **1.2 tons of CO₂e** greenhouse gas emissions.
- 3 tons of metal waste was recovered, preventing nearly **285 kg of CO₂e** gas emissions.
- 1.5 tons of end-of-life vehicle tires were recycled preventing **1.95 tons of CO₂e** greenhouse gas emissions
- **40 tons of CO₂e** greenhouse gas emissions generated during the product transfer of 22 thousand carboys on average annually at the branches were prevented by using the potable water treatment devices.

In addition, approximately 20 tons of food are donated to **Göktürk Hayvan Severler Derneği** (Göktürk Animal Lovers Association) annually in cooperation with shelters for the organic waste generated after the cafeteria services. Thus, while supporting animal friends, food waste is prevented.

Our Practices Guided by Circular Economy Principles

- End-of-life company vehicle tires are processed by recycling companies and repurposed as alternative fuel and energy sources for cement factories.
- Coffee pulp is recycled and transformed into thermos, flower pots, straws, and cups.
- All packaging from the Bank's service locations is sent to licensed recycling facilities.



Operational Transformation

To increase energy efficiency, QNB Türkiye prefers eco-friendly devices in its electrical and mechanical projects and expands the use of renewable energy resources.

Water Efficiency

One of the Bank's goals for direct water use and efficiency, which are among QNB Türkiye's prioritized topics, is to reduce water consumption in branches. Within this scope, various projects were implemented in branches and offices for water efficiency. In 2024, water consumption was 138,250 m³, and the optimum consumption goal was achieved compared to the previous year. In addition, the Crystal Tower's environmental drainage system recycles an average of 4,000 m³ of water per year. The recovered water is being used for car washing and gardening.

Energy Efficiency and Renewable Energy

Thanks to efforts and investments in energy management at QNB Türkiye, ISO 50001 Energy Management System certification was obtained. With the energy management system established within the scope of the certificate, a detailed energy inventory is created, important energy points are identified, and institution-specific energy-saving measures are developed. Natural gas and electricity consumption is regularly monitored every year, and improvement efforts are carried out to ensure efficient and optimum use of resources. This approach aims to increase efficiency in natural resource consumption during operations and minimize environmental impact.

To increase energy efficiency, QNB Türkiye prefers eco-friendly devices in its electrical and mechanical projects and expands the use of renewable energy resources. Smart automation systems are used to monitor and control buildings, thus ensuring efficient use of existing resources. New-generation air conditioners with high energy efficiency and LED lighting systems are used in branches that are relocated or newly opened.

In the summer months when the air temperature is high, the tap heating of the water heaters are switched off for 5 months to reduce electricity consumption.

100%

Since 2021, the entirety of QNB Türkiye's electricity consumption has been sourced from I-REC-certified renewable energy.

Energy Efficiency at QNB Türkiye

- Crystal Tower has LEED certification.
- Operation Center E Block The air conditioners in the data center have been replaced with air conditioners operating with free-cooling system. In this way, energy saving is achieved by making more use of the outside air.
- The water fixtures in the buildings are equipped with aerators to save water.
- In order to minimize damage after potential water leaks in branches, wetness sensors are installed in wet areas, and solenoids are installed to cut off water at water inlets.
- The condensation water of the air handling units in the Crystal Tower building and the water formed in the basement drainage pit is used in the garden irrigation system of the building.
- ISO 14001 certification was received for the Head Office Buildings in 2022 (Crystal Tower, Ümraniye E Block, and Erzurum Operations Center) and ISO 50001 certification was obtained in 2023 (Crystal Tower, Ümraniye E Block).
- In branches undergoing renovations or relocations, the air conditioners currently used are replaced with inverter air conditioners, and fluorescent lighting is replaced with LED luminaires.
- The replacement of fluorescent lighting in the support volumes of the Erzurum Operations Center (Eromer), Crystal Tower and Operations Center E Block buildings with energy efficient LED lighting was completed.
- The water heaters serving to provide hot water use on the office floors of the Head Office Crystal Tower building were switched off for 5 months during the summer months to save energy.
- Optimum energy consumption is achieved with the automation system in the Head Office buildings

Carbon Footprint

QNB Türkiye has been measuring its carbon footprint since 2019 and subjecting this data to independent audits since 2021. As part of its plan to transition to a low-carbon economy, the company is replacing its fleet with hybrid, plug-in hybrid, and fully electric models, aiming to reduce fuel consumption and Scope 1 emissions.

Since 2019, hybrid models have been preferred in the vehicles added to the Bank's fleet. 75 hybrid vehicles were added to the fleet in 2022, 11 in 2023, and 60 in 2024, bringing the total number of hybrid vehicles to 304.



As of 2021, all electricity consumed at the head office and operational buildings is supplied exclusively from renewable sources, as certified by the International Renewable Energy Certificate (I-REC). This fully neutralized Scope 2 greenhouse gas emissions from operations.

The carbon footprint of events organized by QNB Türkiye is neutralized by purchasing carbon credits. The carbon footprint of events organized by QNB Türkiye is neutralized by purchasing carbon credits. In 2024, a total of 420 tons of CO₂e carbon emissions were neutralized with renewable energy sources at environmental events organized in 5 different provinces. Likewise, a total of 240 tons of CO₂e carbon emissions generated as a result of customers' login actions in all digital channels were neutralized with renewable energy sources.

Aiming to minimize the environmental impact of its digital platforms, QNB Türkiye has integrated eco-friendly practices into its online banking platforms such as its website, Enpara.com, Digital Bridge, Neovade, QNB eSolutions and Finans Yıldızı. Additionally, wind energy projects were supported by optimizing their environmental impact, contributing to the reduction of greenhouse gas emissions.

At QNB Türkiye, a reduction of 59,930 CO₂e per year in greenhouse gas emissions was achieved by making corporate and retail online banking platforms climate-friendly and supplying electricity from renewable sources.

With the Wind Energy project carried out by the Net Zero company, the Bank continued its carbon-neutral position in 2023 by investing in voluntary carbon credits and reduced nearly 169 tons of greenhouse gases per year with the environmentally friendly wind turbine project.

You can access data on the environmental impact of our operations in the **Performance Tables** section.

In 2024, a total of 420 tons of CO₂e emissions were neutralized with renewable energy sources in environmental events organized in 5 different provinces.



Operational Transformation

The Supplier Diversity Program, which includes women suppliers, reflects the importance QNB Türkiye places on diversity and equality.

SUSTAINABLE VALUE CHAIN MANAGEMENT

QNB Türkiye cooperates with a network of suppliers that comply with its business principles in its business processes, ensuring that supply chain processes do not have negative impacts on the environment, society, and the Bank's reputation, and develops various practices to eliminate the risks in this respect. The Bank's primary goal is to establish long-term, mutually beneficial relationships with suppliers and to create sustainable partnerships that contribute to the Bank's success and responsible growth vision.

QNB Türkiye implemented its "Supplier Code of Conduct" in 2024. These rules are included in and signed as annexes to agreements with third parties. The QNB Türkiye Supplier Code of Conduct explicitly prohibits all third-party suppliers from employing child or forced labor.

The Supplier Diversity Program, which includes women suppliers, reflects the importance QNB Türkiye places on diversity and equality. The Bank offers guidance to suppliers to enhance their understanding of sustainable business practices and encourages their participation in conferences organized by the Supply Chain Management Association (TEDAR) to contribute to the combat against climate change.

Further information on the Bank's commitment to supporting women suppliers is available in the [Equal Opportunity, Diversity and Gender Equality](#) section.

In line with the Sustainability Policy updated in 2020, sustainability clauses were started to be included in the purchasing agreements. In this context, suppliers are expected to carry out their activities based on the QNB Türkiye's Sustainability Policy.

Within the framework of the Precious Metals Responsible Supply Chain Compliance Policy, collaboration with suppliers that are identified as posing a serious risk of involvement in fraud or misconduct is suspended or terminated.

As part of the supply contracts, suppliers are expected to fully comply with applicable legislation (anti-bribery and anti-corruption, environmental protection, occupational health and safety, processing and protection of personal data, intellectual and property rights, etc.) and contractual obligations. In the event that violations are detected in areas such as the prohibition of child labor and compliance with competition legislation, the severe sanctions of the Competition Law are applied, and supplier relationships are terminated accordingly.

QNB Türkiye prioritizes local suppliers in its procurement processes in order to minimize negative external impacts and risks. Prioritization of eco-friendly products and support for local entrepreneurs constitute the basis of the Bank's responsible supply chain management approach. As a result of this meticulous selection and sustainable collaboration approach, the business relationship with any supplier did not need to be terminated during the 2024 supplier audits.

As of 2024, the share of local suppliers in total suppliers was 95.5%, and 98.9% of purchases have been done from local suppliers.

QNB Türkiye's primary goal is to establish long-term, mutually beneficial relationships with suppliers and to create sustainable partnerships that contribute to the Bank's success and responsible growth vision.





Transformation of Employee



Priority Issues



Equal Opportunity, Diversity and Gender Equality

Talent Management, Planning and Employee Wellbeing

Social and Community Investments

Related Capital Elements

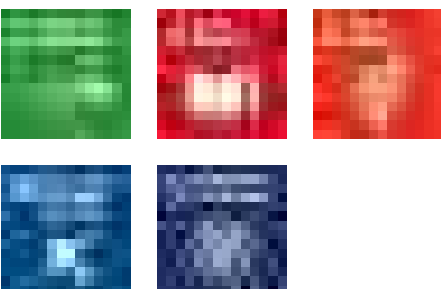


Human Capital



Social Capital

SDGs



Opportunities

- Providing a competitive advantage as a preferred employer
- Being the preferred financial institution among young generations through university communication activities

Risks

- Becoming an employer not preferred by competent graduates
- Loss of reputation due to possible discrimination complaints
- Employee development programs not matching the necessary current competencies



QNB Türkiye prioritizes providing a happy and healthy working environment and considers equality and diversity as the cornerstones of its corporate culture. Integrating its policies that reject discrimination and are based on inclusiveness into its business processes, the Bank aims to create a working environment that respects human rights.

QNB Türkiye recruits new talents and focuses on improving the performance of existing employees through modern talent management practices. Aiming to create a sustainable workforce structure with practices supporting the development of its employees and becoming the preferred employer brand in the sector.

Goals



Achieved



Ongoing



Not realized

Goals for 2024	Realization Status	Goals for 2025 and Beyond
Supporting the recruitment process by implementing employer brand management, workforce management, analytics, and business development projects		Maintaining the current goal
Ensuring equal distribution of male and female candidates in the recruitment process		Maintaining the current goal
Completion of e-learning programs on gender equality by all employees	 Completion rate for 2024 is 76.77%.	Maintaining the current goal
Increasing female representation in management levels, reducing the wage gap by 7.40% in 2024 and balancing the rate on an annual basis in the following years		Compliance with the target of a wage gap ratio of 25.5% in 2025 and 25% in 2026, and maintaining a 30% female ratio on the Group's Board of Directors, excluding natural members
Increasing the number of women in engineering and IT positions	 2023: 36.63%, 2024: 36.69%	Maintaining the current goal and providing internships, recruitment, and mentorship for 10 female students in collaboration with WTECH & Upschool
Inclusion in the 2024 Bloomberg Gender Equality Index (GEI)	 2024: 6.14/10	Improving the score
Raising awareness on gender equality, including prevention of unconscious bias, sexual violence, and harassment	 In 2024, e-trainings on "Breaking Unconscious Prejudices" and "Preventing Harassment" were provided to all employees.	Maintaining the current goal

Performance indicators related to priority issues are given in the **Annexes - Key Performance Indicators** page.



Transformation of Employee

Discrimination is not tolerated in QNB Türkiye and its subsidiaries, and forced and involuntary labor and child labor are not permitted.

EQUAL OPPORTUNITY, DIVERSITY AND GENDER EQUALITY

Equality and diversity have always been an integral part of QNB Türkiye's corporate culture. The Bank supports diversity and inclusion in line with its core values and human resources policy. Supporting disadvantaged groups, promoting intergenerational diversity, and ensuring gender equality are among the priority issues of the Bank. The Bank's policies have been designed to be non-discriminatory. Discrimination is not tolerated in QNB Türkiye and its subsidiaries, and forced and involuntary labor and child labor are not permitted. In the event of any unfavorable situation notification, action is taken in accordance with internal procedures and rules. There were no cases of discrimination during the reporting period. The Bank acts in accordance with the Labor Law legislation. The Bank's remuneration policies are regularly reviewed by the Remuneration Management Committee, and no gender-based discrimination is made in remuneration.

At QNB Türkiye, the Executive Vice President responsible for the Human Resources function and the Sustainability Committee Chairperson are the senior executives responsible for diversity and inclusion. The Bank has Gender Equality Working Groups. Internal/external improvement activities on equality and diversity issues are carried out with the Working Groups.

Communication activities were carried out to raise awareness on equal opportunities, diversity, and gender equality in 2024.

At QNB Türkiye, machine learning algorithms that evaluate gender balance are being used to avoid gender prejudices. All advertising and marketing content is evaluated for gender prejudices before it is published.

Female employees are granted 16 weeks of maternity leave. At the end of the 16-week period, they have the right to request unpaid leave for up to six months and 1.5 hours of breastfeeding leave per day until the child turns one year old. Paid secondary parental (paternity) leave was increased to 20 days in 2024. In 2024, 98.92% of the women employees returned to work after maternity leave.



Trainings covering gender equality, unconscious prejudices, and sexual harassment are offered to raise awareness of all employees on equality and diversity issues and to promote the use of equitable language in the workplace. Competency trainings, conferences, and sign language trainings are provided to create awareness. In addition to Gender Equality trainings, which also cover human rights, in 2024, "Breaking Unconscious Prejudices" and "Preventing Harassment" trainings were assigned to all employees as mandatory trainings through the in-house learning portal Finarmoni.

Business Against Domestic Violence Project (BADV)

QNB Türkiye demonstrates its commitment to promoting gender equality and preventing violence in the workplace with concrete steps by participating in the "Business Against Domestic Violence Project" (BADV), implemented by Sabancı University Corporate Governance Forum in collaboration with TÜSİAD and supported by Sabancı Foundation and United Nations Population Fund (UNFPA).

BADV aims to encourage companies to develop policies to combat domestic violence, establish support mechanisms, and promote awareness-raising initiatives. In this context, the Bank continues to work in line with its goal of implementing best practices.



As a significant stage of the project, representatives of the business world had the opportunity to share their knowledge and experience at the BADV company presentations organized at Minerva Han on 19 December. At this event, the Bank presented the activities it has carried out so far, the gains it has achieved, and the roadmap it has prepared to create a culture of non-violence in the workplace. The event also provided an important platform for disseminating best practices and developing solution-oriented policies.

Female Member Ratio on the Board of Directors

27%^(*)

Ratio of Women in Senior Management (GM, EVPs and Head of Internal Systems)

24%

Ratio of Women in Senior Management Positions (Director and above)

38%

Proportion of Women in All Executive Level Roles (Manager and above)

47%

Female Employee Ratio in Middle Management (All Executive Titles Below "Director")

48%

Female Employee Ratio in Non-Managerial Positions (Titles below manager)

60%

Ratio of Women in Total Labor Force

59%

Ratio of Promoted Women

64%

Ratio of Female IT/Engineering Employees (Employees in information technology and programming/ coding, engineering roles such as research and development)

37%

Ratio of Newly Hired Women

60%

Ratio of Women Leaving Job

58%

Gender Pay Gap, Global Raw Average

23%

Ratio of Women in Management Positions in Income Generating Functions

44%

^(*) Including CEO



Transformation of Employee

To support the development of female managers, QNB Türkiye ensures their participation in development programs organized by the “Women on Board Association Türkiye.”



QNB Türkiye ensures that the female executives in the management team participate in the development program organized by the “Women on Board Association Türkiye” and supports the development of female executives through this program where participants receive training on different topics from professionals from the business and academic world. The chairpersons of the country’s leading companies have the opportunity to get to know women executives with different qualifications and recommend them for appropriate positions. QNB Türkiye has 11 female internal coaches who graduated from International Coaching Federation (ICF) approved coaching schools.

QNB Türkiye supports women’s empowerment by enabling sales and marketing team managers to participate in the “Women in Sales” project, which was established to raise awareness in companies and women by the “Sales Network Community” in order to ensure a balance between men and women in the sales world. The Bank follows these and similar international platforms and contributes to the implementation of various programs to support the Bank’s policies in this field.

The ratio of female employees in QNB Türkiye was 59.29% by the end of 2024.



The ratio of female employees in QNB Türkiye was 59% by the end of 2024.



Our Diversity and Gender Equality Focus

For our employees

- Bloomberg Gender Equality reporting
- **Paternity Leave** exceeding the statutory term: **20 days**
- Support for the Business Against Domestic Violence (BADV) Project implemented by **Sabancı University Corporate Governance Forum in cooperation with TÜSİAD**

For our customers

- İKADE - Training, mentoring, financial support, and counseling support to more than 600 women with the “**Export Academy for Women**” in collaboration with the Association of Women Exporters (İKADE)

For the society

- Contribution to local policies through gender equality working groups of **BCSD Türkiye & TÜSİAD**
- **Support for gender equality at senior levels with Yanındayız Association**
- Corporate social responsibility activities supporting gender equality; KAHEV, WTECH
- **Support for enhancing women’s representation with the Women on Board Association Türkiye**
- **Communication & Awareness Activities**

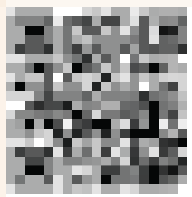




Our Gender Policy

An Equal Future For Everyone

QNB is committed to creating an equal and inclusive future for everyone. We believe that diversity and inclusion are key to our success and to the success of our customers. We are committed to providing equal opportunities for all our employees, regardless of their gender, age, or background. We are committed to creating a safe and respectful work environment for all our employees. We are committed to supporting our employees in their personal and professional development. We are committed to being a responsible and ethical organization. We are committed to being a leader in our industry. We are committed to being a part of the solution for a better future.



For more information, please visit our website at www.qnb.com.tr

Our Gender Equality Commitments

Commitment 1: Providing trainings on the Prevention of Unconscious Bias, Sexual Violence, and Harassment

Commitment 2: Increasing the ratio of female employees in engineering and technology fields

Commitment 3: Increasing the number of female suppliers by 10% annually for 5 years

Commitment 4: Reducing the pay gap percentage relative to the overall average by 3.57% in 2023 and 7.40% in 2024 by increasing the representation of women in senior management and decreasing this gap annually

Commitment 5: Providing support for the education of employees' children between the ages of 2.5-5.5 for 3 years



Transformation of Employee

In 2024, the employees of QNB Türkiye and its subsidiaries were assigned Gender Equality e-training through the online training platform.

Gender Equality Commitments and Progress Status

As a signatory of the Women's Empowerment Principles (WEPs), QNB Türkiye released its Gender Equality Guidelines in collaboration with Kadir Has University and shared its Gender Equality (GE) Commitments with the public in April 2023. The commitments, which contribute to the UN's GE goal, include action plans to promote women's participation in the economy, increase their representation in the Bank, close the gender pay gap, and raise awareness.

The Gender Equality Guidelines can be accessed [here](#).

Gender Equality Commitments and Progress Status

Commitment 1: Providing trainings on the Prevention of Unconscious Bias, Sexual Violence, and Harassment

- In 2024, "Breaking Unconscious Bias" and "Preventing Harassment" trainings were assigned to all employees as mandatory training. In 2025, it is planned the content of training will be revised to position and expand it in more in-house programs.
- In 2024, all Bank and subsidiary employees were assigned Gender Equality e-training through the online training platform.

Commitment 2: Increasing the ratio of female employees in engineering and technology fields

- QNB Türkiye, which is included in the Bloomberg Gender Equality Index, has a high percentage of female employees in the fields of engineering and technology in the banking sector. The Bank aims to increase its visibility in this field and set an example for the sector through collaborations and training support.
- In 2023, the Bank collaborated with the Woman in Technology Association (WTECH) to support the "Leading 100 Women in Technology on the 100th Anniversary of the Republic" Project, and became a corporate member of the association. The project aimed to encourage women working in STEM (Science, Technology, Engineering, Mathematics) fields and sponsored 10 female students in 2024. In addition to the mentoring support provided by the Bank's senior executives, these students were also offered job opportunities at the end of the project.
- In 2025, 10 more students will be supported, including 5 of the WTECH project students and 5 female students within the scope of our collaboration with UP School.

**Commitment 3: Increasing the number of female suppliers by 10% annually for 5 years**

- With the improvements made in purchasing processes in 2024, the Bank added 30 new female suppliers to its portfolio and increased its female supplier ratio compared to the previous year.

**Commitment 4: Reducing the pay gap percentage relative to the overall average by 3.57% in 2023 and 7.40% in 2024 by increasing the representation of women in senior management and decreasing this gap annually**

- Gender-based income ratios are analyzed on a monthly basis. It is aimed to reduce the pay gap by supporting the appointment and recruitment of female managers in newly vacant positions. The target for 2024 was achieved. Moreover, the wage gap is targeted to be 25.5% and 25% in 2025 and 2026, respectively.

**Commitment 5: Providing support for the education of employees' children between the ages of 2.5-5.5 for 3 years**

- Efforts are ongoing.



Transformation of Employee

QNB Türkiye adopts a civilized and inclusive business culture that respects human rights and makes investments that focus on the happiness and health of its employees.

HUMAN RESOURCES APPROACH AND MANAGEMENT

QNB Türkiye adopts a civilized and inclusive business culture that respects human rights and makes investments that focus on the happiness and health of its employees. The Bank has shaped its Human Resources Policy, which it implements with the awareness that its most valuable capital is its human resources and with the first human then employee principle, to ensure sustainable development and increase performance by attracting, developing, and retaining new talents.

This includes grouping Human Resources Policy into 4 main categories below.

Human Resources, Planning and Recruitment

Establishing a multi-faceted human resources and recruitment process, including employer brand management, workforce methodology, analytics, and business development initiatives, in line with the Bank's goal of becoming a preferred employer and attracting talented individuals to the Bank

Talent Development and Management

Enhancing employee growth and retention of high-performing staff by strengthening their technical and managerial knowledge and skills

Performance Management

Assessing the success through quantifiable criteria and generating a transparent and equitable employee loyalty atmosphere with an aim for overall performance growth of the bank with the help of individual employee performance

Engagement and Reward

Engaging all employees by effectively-developed and continuously-improved policies in line with the Bank's goals

QNB Türkiye aims to create a peaceful working environment that supports the sustainable success of each employee by determining the ethical principles and rules of conduct that employees are subject to from the moment they start working.



QNB Türkiye aims to create a peaceful working environment that supports the sustainable success of each employee by determining the ethical principles and rules of conduct that employees are subject to from the moment they start working.

The content of the Human Resources Policy and instructions are updated in accordance with current legislation and processes. Instructions are clearly available in the Bank's systems for all Bank employees to access and comply with. A commitment to comply with the instructions and rules of conduct is concluded during recruitment. The Human Resources Instruction includes the internal processes of all teams and is carried out under the authority and responsibility of each team. All business units are audited periodically through internal and external audit activities and reported to the management. In recruitment policies, evaluations are made based on competence and job family without gender, language, religion, or race discrimination.

The Disciplinary Committee is authorized to evaluate the behaviors of the Bank's employees in violation of the relevant laws, the Bank's internal legislation, and general banking principles, practices, and instructions, and to determine the penalties specified under the title of Disciplinary Penalties for the behaviors that are determined to be in violation and the penalties corresponding to these behaviors. Non-compliance with labor standards is evaluated within the framework of the Disciplinary Committee and QNB Türkiye Employees Code of Conduct Instruction. In case of non-compliance with Human Resources (HR) regulations, necessary actions are taken by HR based on reports and notifications received from the Board of Inspectors. In the event that a notification regarding HR is received, the necessary investigations and actions are taken in coordination with the Board of Inspectors. Feedback is received through mechanisms such as internal audits, external audits, notifications/complaints from employees, government agency audits, etc. Newly recruited employees are informed about the use of the

reporting system. Employees are frequently sent reminder e-mails about the reporting line process and its operation.

The Bank has established the position of an "Ombudsman" in order to improve the quality of business life, to resolve problems that may arise between the organization, employees, and managers in a fast, effective, and fair manner, and to remove obstacles to productivity. All employees can submit their problems regarding discrimination, mobbing, harassment, practices contrary to corporate policies, and unresolved issues to the Ombudsman via e-mail or telephone. The Ombudsman basically aims to achieve mutual reconciliation between the parties and resolve the issues appropriately. The complaints and issues investigated are treated with the highest degree of confidentiality (Documentation is limited. Only the parties concerned shall be informed by means deemed appropriate. Performance reporting to senior management is carried out at a level where the owners of the resolved problems and complaints are not identified).

QNB Türkiye employees also have the right to communicate directly with the Audit Committee or the Chief Internal Control and Compliance Officer. All employees can report transactions and actions in violation of applicable legislation and/or Bank procedures, as well as irregularities and misconducts via the Notification Hotline using the e-mail address ihbarhatti@qnb.com.tr. The Audit Committee, an organ of the Board of Directors, has the authority and responsibility to monitor the results of the notifications made to the Notification Hotline, the measures taken by the senior management and executive units, and the actions taken.

The Bank attaches importance to the opinions of its employees. With the suggestion system, employees can submit their suggestions on any subject, especially business processes, to the Human Resources Department. The working environment is improved by implementing feasible suggestions.



Transformation of Employee

In addition to bringing talents into the organization, QNB Türkiye understands the career expectations of young people and designs special programs for them.

TALENT MANAGEMENT, PLANNING AND EMPLOYEE WELLBEING

QNB Türkiye has been running its youth talent programs since 2007. It has been improving these programs every year to make them more relevant to the needs of young people.

The support provided by organizations to candidates and employees in their career journeys is of great importance in adopting the targets as a common goal. In addition to bringing talents into the organization, QNB Türkiye understands the career expectations of young people and designs special programs for them. QNB Türkiye, which secures 90% of its hires from recent graduates and stands as one of the leading banks in this field, places significant importance on talent acquisition activities targeting university students.

The Bank recruits highly qualified candidates with strong potential for entry-level positions and establishes pathways to support their career development. By adopting the internal promotion method for senior positions, the Bank increases the access of existing employees to career opportunities and strengthens their commitment. It is thus ensured that high performing employees who comply with the corporate culture are retained at the Bank.

Career Opportunities at QNB for University Students

QNB Türkiye supports young people in fulfilling their dreams with career opportunities.

QNB 101: An internship program where university students can get to know the banking sector, branch management, business life, and QNB. In the last 3 years, 2,000 students were provided internship opportunities under the Finance 101 brand. As of October 2024, it continues under the name QNB 101.

QNB 101 Branch: Designed to return to the physical branch internship program after the pandemic and 232 interns were accepted to the program. By assigning a different theme for each week, the program aims to acquaint interns with QNB Türkiye's culture, professional business life, and the banking sector. During this process, internship counselors accompanied the interns and provided information and support about the branch and the bank. While interns experience business life by working with the sales and operations teams at the branch and observing customer visits, they are also encouraged to contribute to their development through e-learning programs.

Up Club: Having been selected as the Most Admired Career Club by university students in the 2021 Most Admired Companies Survey and being the first application to bring the Global Business Excellence Award to Türkiye in 2013, Finance Up Career Club offers students and Finance Up members the opportunity to start their professional working life with the Up Society process implemented with alumni logic. The program gives students the opportunity to get to know each other and develop themselves under a common culture before their professional lives. More than just a program for students to explore themselves and invest in their development before entering professional life, it serves as a career club where QNB employees and all Finance Up members build a network and community to develop within a shared culture. For this reason, Finance Up includes programs that will develop young people in every aspect and shape their lives and careers. With the alumni approach, Finance Up provides consultancy opportunities to students and Finance Up members who enter professional business life on many issues related to both their business and social lives. Having 490 members and entering its 15th year, Finance Up continues under the name Up Club as of October 2024.

Fin-ally MT Program: The Fin-ally MT Program, launched in 2022 with the motto "Finally Ready for Business Life" and the slogan "What's Your Job in the Future," offers internship and experience opportunities in strategic departments of the Bank. As part of the Fin-ally MT program, students undergo a training process called Q-MBA while continuing their internship. The program aims to equip students with essential competencies for professional life that are not typically acquired during university education. Within this context, the program is designed to offer a structured training curriculum divided into 3 modules based on primary business lines; Finance, Marketing, and Business Development. In addition to the training provided under these 3 main modules, reinforcement trainings as follow-up are also planned. In the last 2 years, 48 MTs joined the Bank through Fin-ally, an end-to-end talent acquisition program designed with a structured Q-MBA training process for personal and professional development and personalized career counseling.



Career: Events are organized with keynote speakers and QNB Türkiye Human Resources managers to raise awareness of university students of their career journeys. The main focus of this program is to ensure students that banking does not necessarily to be formal or boring, which is now seen as traditional by the new generation, and to instill the perception that QNB Türkiye is a bank close to them. The students who participated in the program consider it very favorable that the Career program contributes to their careers and that it is not just an introduction to the organization but includes training with professional trainers to develop them. Under the concept of 'I Know What I Don't Want,' 5,000 university students across 10 universities were engaged in 2024.

QNB Pro: This project offers internship opportunities to students who would like to gain experience at the Bank's Head Office. Internship opportunities have been offered to 744 students within the last 3 years.

Audit Pro: It is a direct recruitment program designed to bring young talents to the audit and inspection departments, which are of critical importance in banks. The Audit Familiarization Program is organized to familiarize students with the audit and the Audit unit prior to their employment and elect students who are genuinely interested in auditing and provides an opportunity to recruit those who are interested in auditing. In 2024, Audit Pro provided 14 students with job opportunities to start a career in auditing.

In addition, the Bank continued to participate in or sponsor online summits organized by universities and institutions, and the Days@QNB event enabled managers and MTs to explain the Bank's units to students.

Continuous development is of the essence at QNB Türkiye. In line with the Bank's strategy, project training for existing employees is designed according to specific departments and aims to improve employee performance.

Topics such as human resources practices and processes and corporate culture are addressed in orientation programs. All legally mandatory and compulsory trainings are carried out in accordance with the Statutory Obligation Trainings Instruction.

In 2024, trainings aimed at improving the knowledge and raising awareness of all employees, including those at subsidiaries, on environmental and social issues were assigned through Finarmoni, the Bank's online training platform.

In the training and development processes, new employees are assigned e-training through the e-training platform Finarmoni, and orientation programs are organized at the Crystal Tower to help them adapt to both the bank and the sector, ensuring that they are familiar with the corporate culture, policies, and processes.

QNB Türkiye recruits highly qualified candidates with strong potential for entry-level positions and establishes pathways to support their career development.



Transformation of Employee

In 2024, trainings aimed at improving the knowledge and raising awareness of all employees, including those at subsidiaries, on environmental and social issues were assigned through Finarmoni, QNB Türkiye's online training platform.

To further enhance and develop the skills of its employees, the Bank offers them the chance to receive advanced education in the fields of MBA and finance at Türkiye's leading universities. This includes master's degrees at Koç University.

In 2024, activities were completed within the framework of a sustainable training program in the field of art, which will strengthen employees' intellectual competencies, and e-training was assigned to all employees accordingly. It is planned to provide training to customers, one of the most important stakeholders of the Bank, through the QLearn Platform, and in this context, efforts are ongoing for 2024.

In order to attract and retain talent, the Bank cooperates with universities and brings talents to the Bank while they are still students through long-term internship programs. Employees recruited through the MT Development Program are trained as management candidates for various positions in the organization. Those who successfully complete this program are eligible for a master's degree at a university that is considered among the best universities in their country and the world.

The Bank endeavors to develop its talents both internally and externally. In addition, career development programs, Hi-Po Development Programs, and Succession Programs contribute to the retention of talents within the Bank. In order to ensure continuous employment, a re-employment policy is applied in case of resignations for various reasons, taking into account the reason for leaving and the needs of the individual.

Development programs are differentiated by segmenting them according to the business needs of each target group, thus creating programs that directly meet the needs of different specialties. All practices, cases, and examples in the programs are redesigned in a sustainable structure to reflect the daily work of the relevant target group. In this context, different training programs are designed for new and existing employees. An example of this is the QNB 360 Development Program, launched at the branch level in 2022 and is planned to be expanded to all target groups in 2025 by including the strategic teams of the Head Office.

QNB 360 Development Program

QNB 360 Development Program, which is implemented to disseminate QNB Türkiye's annual strategy to all employees, is redesigned and developed every year within the framework of current topics and subjects to sustainably respond to the needs of the teams by being expanded to the Head Office, Field teams, and ASK teams.

The measurement of this program, which is of strategic importance in the Bank, is carried out according to multidimensional criteria such as pre-post tests, exams, completion rates of assigned activities, manager evaluations, and changes in goals and performance criteria.

Head Office MT Development Program

The MT (Management Trainee) Development Program is applied for newly recruited employees with the MT role definition in QNB Türkiye strategic teams. In this context, employees are provided with technical trainings that will help them adapt to the sector and the Bank and trainings prepared on the basis of important competencies that stand out after the pandemic. In 2024, a training plan was created by following the current competency trainings on the agenda. In addition, content that will contribute to the mental, physical, emotional, and intellectual development of MTs and strengthen their competencies is redesigned according to the agenda topics of each year and included in the program. The program also includes digital transformation and technological developments, enabling MTs to experience next-generation banking processes.

During the program, experience-sharing programs with the Bank's managers are also planned to strengthen MTs' adaptation to the Bank and to enable them to contribute to their own development by listening closely to the experiences of managers. The program offers MTs the opportunity to develop in sectoral, technical, competence, and intellectual areas and many more through exams made specific to the technical training received, final presentations that will contribute to their effective interpretation of banking cases, project development processes that will improve their project management and create project studies that may contribute to the Bank and master's degree courses from Koç University and then they are provided with the opportunity to pursue a master's degree within the framework of certain criteria.



Within the scope of the program, which is redesigned every year based on renewed needs, necessary arrangements are made in terms of interest and time management during the recruitment process of MTs, ensuring their participation in an effective learning process. In 2024, a 2-day Senior Management Experience Sharing Program is planned with the motto “learn from experience,” where all new MTs will meet with senior management and share their experiences, biographies and career journeys.

DigiLearn Development Journey

DigiLearn Development Journey, which was created to improve the digital literacy of employees, increase their knowledge of technological developments, and enable them to follow current technological developments instantly, comes together with employees and selected corporate and commercial customers every month.

Within the DigiLearn Development Journey, videos, articles, and podcasts are shared with employees through the learning platform within the scope of the technology topic determined each month and with selected customers as a newsletter. By providing personalized learning, it is ensured that people learn the same information either by reading, watching, or listening.

Webinars are organized every month with an expert speaker on a technology topic. Current developments on the topic, future expectations, and industrial expectations are being discussed.

The topics included in the DigiLearn Development Journey so far, including 2024: Wearable Health Technology, Keeping up with the digital transformation, New generation marketing in the digital age, Digital Health and Human Life, Augmented Reality, The World Connected to the Internet of Things, Digital Transformation of Companies: Industry 4.0-5.0.

Flexible Innovation Program

Flexible Innovation Program: The aim of the program is to enable employees to observe their own skills in innovative projects carried out within the organization and to create in-house learning opportunities where employees can gain different experiences and skills. Participants work part-time on other projects within the bank in addition to their current role. In projects of up to 3 weeks, they devote 50% of their weekly working time to the project, and in projects of more than 3 weeks, they devote 20% of their working time to the project. Since 2021, 151 applications have been received and 37 individuals have been included in the projects.



Transformation of Employee

The Servant Leadership approach, which QNB Türkiye places at the center of its leadership culture and which adopts the principle of compassionate management, focuses on continuous development, adaptation to change, resilience, and employees, continued to be important in 2024.



Leadership Programs

The Servant Leadership approach, which QNB Türkiye places at the center of its leadership culture and which adopts the principle of compassionate management, focuses on continuous development, adaptation to change, resilience, and employees, continued to be important in the reporting period as well. The “Servant Leadership Development Talks” continued throughout the year, open to the participation of all managers.

Leadership development programs were carried out with Manage Yourself and Your Relationships, Manage Your Team, and Manage Your Business modules, taking into account next-generation leadership skills. Both technical and competency development of managers are supported through personalized one-on-one training programs and in-class/online trainings for managers assigned to both head office and field teams, depending on their needs.

QNB Türkiye organized sessions bringing together experts from different fields to discuss the latest market trends and developments. This year, the sessions, which were attended by senior executives, covered topics such as Earthquake Preparedness Workshop, New World Balances and Türkiye, and On the 2023 Elections.

The Coaching and Mentorship Center, established in 2021 to promote the Coaching and Mentorship culture at QNB Türkiye and to use development tools such as internal and external coaching as well as mentoring for the potential development of the employees, continued its activities in 2024 as well. Employees in the Assessment Center process benefited from internal coaching processes, and executives above the manager level benefited from external coaching processes. In addition, trainings were organized for Internal Coaches as part of the Internal Coach Development Program.

As part of individual trainings, domestic and international requests from business lines were evaluated and followed up throughout the year.

Onboarding business line meetings were held throughout the year for executives above the manager level within the Bank.

As part of the Corporate Culture activities, a launch was organized for the entire bank in 2024 and the objectives and values were communicated. This was followed by a series of webinars that engaged the entire bank. Simultaneously, the Worth to Us project activities were carried out at the branches.

In 2024, total investment in learning and development amounted to TL 206.7 million.



Executive Assessment Center

At QNB Türkiye, many different projects are carried out to identify the potential of the existing human resources, to shape the career paths of employees and to implement practices to meet the need for managers from within the Bank. In this context, the assessment center practices aim to create the Bank's executive brand, to select candidates suitable for executive roles with a clear, measurable, rational and systematic method, to contribute to the development of leadership culture and to meet most of the executive needs from within the Bank.

To date, more than 400 executive candidates for head office positions and more than 1,000 executive candidates for branch positions have been included in the assessment center practices.

Career Architecture

Revised to meet the needs of all employees, the Career Architecture processes were redesigned with a "Your Journey" perspective, creating a more transparent and structured process for branch banking employees to achieve their career goals. Career Architecture is a career program that enables employees to create their own career plan and complete the necessary development processes while creating this plan. Career Architecture provides a development environment where employees can decide on the steps they will take to reach the point they dream of throughout their career and the career process that will follow.

With the "Career Architecture is Your Journey" perspective, the Bank aims to remove the boundaries in transitions between segments and bring employees one step closer to their career dreams through training programs before and after the transition.

In 2024, 85% of the needs for branch banking positions were met through Career Architecture.

Skill-based Career Architecture

QNB Bank is working on the Skill-Based Career Architecture project to create a structured career management infrastructure to meet the needs of today's and future business life. The "Skill-Based Career Architecture" project covers all head office teams and continues to be implemented. One of the main objectives of the project is to identify the skills gap and to create structures that will take action for the skills that the bank may need in the future.

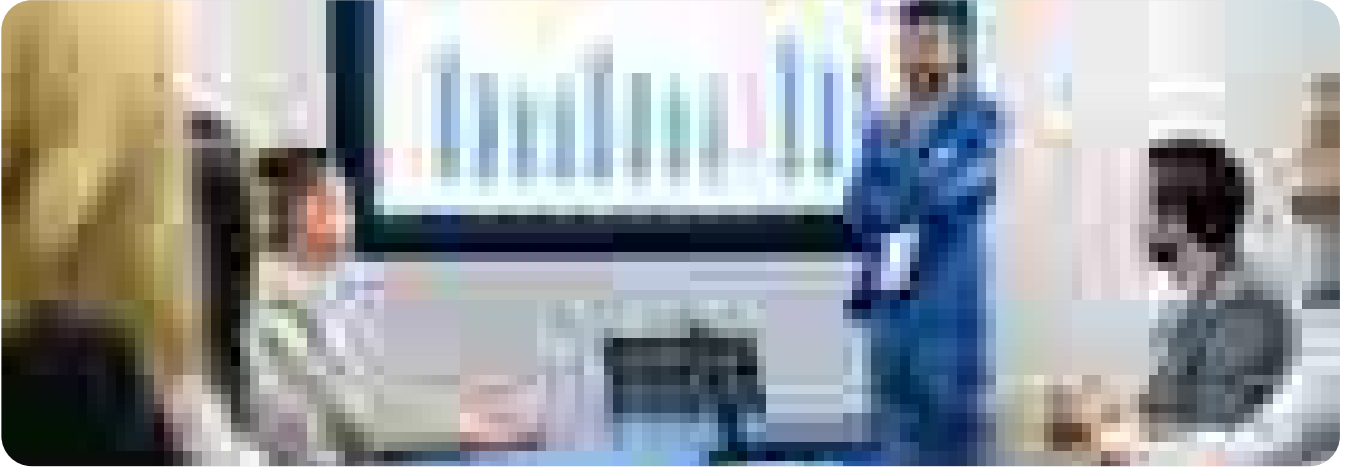
For this purpose, skills specific to all tasks in the head office teams have been defined, aiming to focus on skill development during the development process. All HR processes are reviewed and structured with a skills perspective in order to provide employees with an end-to-end development journey covering all career moves such as recruitment, promotion, and rotation. In order to ensure that the skills gap that may arise is met by the training and development management, all skills are integrated with existing and future training programs to be planned.

The Career Architecture processes were redesigned with a "Your Journey" perspective, creating a more transparent and structured process for branch banking employees to achieve their career goals.



Transformation of Employee

In 2024, 90% of employees were subjected to regular performance and career development evaluations.



PERFORMANCE MANAGEMENT

At QNB Türkiye, semi-annual performance measurements are conducted with concrete, measurable, and transparent criteria, and personalized roadmaps to reinforce employees' strengths and improve their development areas are created.

The Bank implements a career management system in which employees are clearly informed about their career journeys. The Bank aims to guide employees in their development, support their individual performance improvement and ensure high and sustainable corporate performance by adopting a continuous feedback approach.

The performance target set at the beginning of the year is cascaded down to managers and employees, starting with executive vice presidents. In this context, business line goals are individually evaluated in terms of technical performance and included in performance management. Internal promotions are prioritized in promotion processes.

Senior management goals include sustainability goals based on diversity and inclusion, and goal realizations are monitored in accordance with development.

In 2024, 90% of employees were subjected to regular performance and career development evaluations.

OUR WORKING METHODS

A hybrid working model is applied at the Bank's head offices, allowing employees to work at the office for 3 days a week and remotely for 2 days a week. Employees are also offered flexible working hours. During the mid-term break of schools, working parents whose duties are suitable for remote work are offered the option to work remotely during the break. In July and August months, a summer working model that allows working from outside the city is implemented. In Alternative Sales Channels teams, employees whose tasks are suitable for remote working can work fully remotely.

Office
61%



Remote
11%



Hybrid
28%



WORKING HOURS

- 09:00-18:00
- 08:30-17:30
- 08:00-17:00
- 07:30-16:30







Transformation of Employee

The success of QNB Türkiye employees is based on their passion and commitment to deliver exemplary service every day.

EMPLOYEE SATISFACTION AND ENGAGEMENT

The success of QNB Türkiye employees is based on their passion and commitment to deliver exemplary service every day. To support these endeavors, the Bank fosters an inclusive and high performance-oriented culture, invests in continuous training and development, empowers and rewards its employees through practices aimed at increasing loyalty and respect. Social, cultural,

and sports activities that provide mental and physical support are offered to keep employee satisfaction and motivation high.

In income management, a fair and transparent remuneration approach that is compatible with the Bank's ethical values and internal balances has been adopted. This approach aims to increase employee loyalty, motivation, and synergy. While internal balance and fairness are prioritized in income management policies, base salary and reward (variable salary) systems





are implemented based on the Bank's targets, sector balances, and task-based policies. Income management policies, which are established on the basis of sector wage balances obtained from independent consultancy companies in accordance with the requirements of competition law, prevent employees from taking excessive risks and allow them to be rewarded in line with the added value they create. This approach aims to retain a qualified, motivated, and committed workforce and increase throughput and productivity.

The wages of the Bank's employees is shaped within the framework of policies based on their business line, job family, title, level, and position. All remuneration processes are approved by the Remuneration Management Committee, which consists of one member from QNB and one member from QNB Türkiye Board of Directors. Remuneration policies are regularly reviewed by the Remuneration Management Committee, and gender discrimination is strictly prohibited in the tools used to determine the policies.





Transformation of Employee

In line with QNB Türkiye's Occupational Health and Safety Policy, the Bank prioritizes the health and safety of its employees in line with legislative requirements and regulations specific to the organization.



The Bank regularly conducts an employee engagement survey every year, which is also based on diversity and inclusion. In 2024, employee loyalty was 67% and both loyalty and satisfaction scores on the Employee Loyalty Inventory reached the highest level.

The bank offers the same social benefits to all its employees, regardless of whether they are part-time or full-time. All employees are entitled to private health insurance, life and personal accident insurance, meal allowance, etc.

QNB Türkiye carries out activities to increase employee satisfaction. In 2024, the HR Employee Happiness Unit carried out a total of 511 activities such as concerts, theaters, and club activities across Türkiye, both physically and online. In addition to the activities, discount agreements were concluded with 142 companies throughout the year, providing QNB Türkiye employees with advantageous shopping opportunities.

OCCUPATIONAL HEALTH AND SAFETY

QNB Türkiye meticulously maintains its Occupational Health and Safety (OHS) practices within the framework of the Occupational Health and Safety Law No. 6331 and includes all employees and subcontractors in these processes. In line with the Bank's Occupational Health and Safety Policy, the Bank prioritizes the health and safety of its employees in line with legislative requirements and regulations specific to the organization.

In accordance with the OHS Risk Assessment Regulation, hazards and risks are identified and prevention plans are prepared and regularly updated. Annual exercises are carried out in line with the Emergency Plans prepared within the scope of the Emergency Situations Regulation. The OHS Committees, which convene quarterly at the Head Office facilities, evaluate the opinions and suggestions received through employee representatives, address health and safety risks and implement the necessary actions.



The Bank's OHS Unit conducts regular audits, communicates the measures taken in response to the findings to the relevant units through the Occupational Health and Safety Board and ensures their implementation. To minimize risks, the actions taken in line with on-site audits and near-miss reports are implemented within the framework of the control hierarchy. Susceptibility to occupational diseases is determined during recruitment and periodic controls, and employee health is regularly monitored through these follow-up processes.

The Bank provides its employees with Basic Occupational Health and Safety e-training every three years and organizes trainings on occupational health and safety at home for those working remotely. All employees can benefit from health centers where workplace physicians work, and can receive counseling through health hotlines. Dietitian, physiotherapist, and psychological consultancy services provide

comprehensive support to improve employee well-being. In addition, employees' relatives are provided with guidance in diagnosis and treatment processes and, when necessary, additional payments are made for treatment expenses upon the decision of the board.

In 2024, as a testament to the Bank's commitment to employee health, the Crystal Tower building received the Cleaning and Hygiene Achievement Certificate for its successful implementation of advanced hygiene standards.

QNB Türkiye continues to foster a safer and healthier working environment by providing services that support employees' physical and mental well-being, adopting an approach that exceeds legislative requirements in occupational health and safety practices.

QNB Türkiye provides its employees with Basic Occupational Health and Safety e-training every three years and organizes trainings on occupational health and safety at home for those working remotely.



Sustainable Society for the Future

QNB Türkiye considers social and community investments to be important factors in the value creation process and aims to create long-term social value with a “Beyond Banking” perspective.







Sustainable Society for the Future



Priority Issues

Social and Community Investment

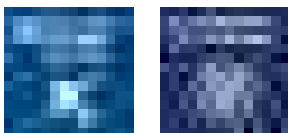
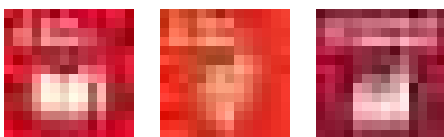
Related Capital Elements



Natural Capital



Financial Capital



Opportunities

- Contribution to solving social problems through consistent and inclusive projects
- Support for brand image
- Increased employee satisfaction and engagement

Risks

- Failure to achieve the desired social benefit due to problems in performance monitoring of projects (low SROI)
- Third-party risks due to project partners



QNB Türkiye aims to be a part of the solution with high-impact social initiatives that it develops or supports. The Bank has one of the largest corporate volunteering programs in Türkiye and adds value to social life through its sponsorships.

Goals

Achieved

Ongoing

Not realized

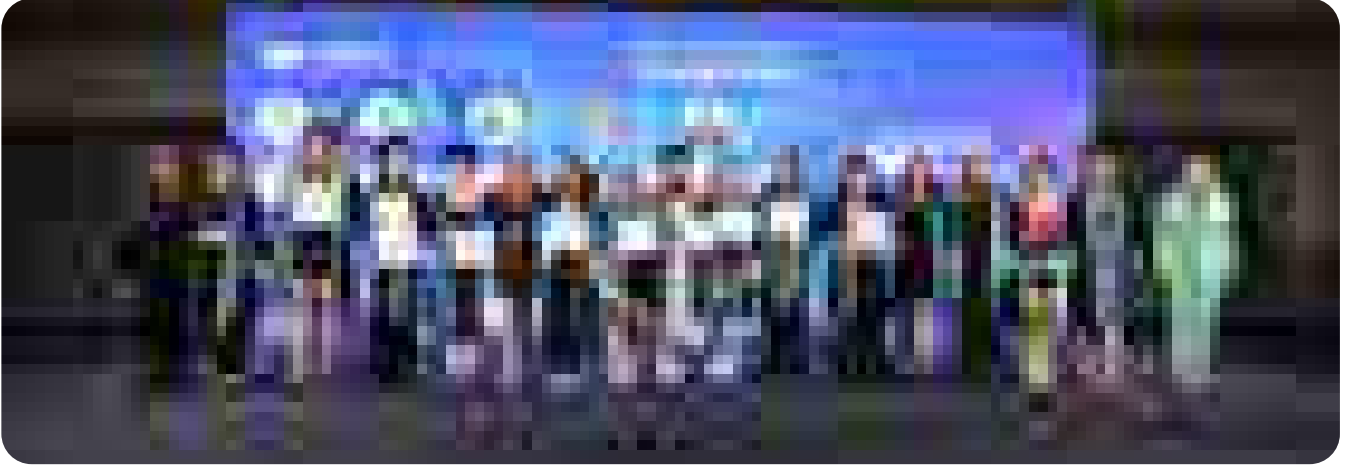
Goals for 2024	Realization Status	Goals for 2025 and Beyond
Increasing the number of regions and children reached by the Small Hands Big Dreams Project	 Number of children reached in 2024: Over 720,000 (2023: 700,000)	Maintaining the current goal
Reaching out to 560 more children by 2024 with the TEGV Climate Protectors Are Growing Up Project	 Number of children reached: 1,411	TEGV Climate Protectors Are Growing Up Project was completed by the end of 2024. As of 2025; TEGV aims to reach 4,000 children with the ongoing Tiny Hands Write Code Project, 10,000 children with the WWF Türkiye Project, and more volunteers and children with the Volunteer Program. In addition, a project to raise water awareness among children is planned to be launched in 2025.

Performance indicators related to priority issues are given in the [Annexes - Key Performance Indicators](#) page.



Social and Community Investments

QNB Türkiye carries out activities to contribute to the wider society with a sense of social responsibility.



QNB Group recognizes that addressing ESG topics directly (through its operations) and indirectly (through its financing and social activities), identifying new business practices, and integrating a sustainability culture into the Group's structure can make a significant contribution to society.

QNB Türkiye considers social and community investments to be important factors in the value creation process. The Bank aims to create long-term social value with a "Beyond Banking" perspective. With an awareness of social responsibility, the Bank carries out activities to contribute to society at large. With this approach, the Bank undertakes projects in many different fields ranging from education to culture & arts, from sports to music. Through these projects, the Company made social investments amounting to TL 15.5 million in 2024 under Small Hands Big Dreams.

In order to prepare children and young people for the future, projects are being carried out under the roof of QNB Türkiye in many fields, from mathematics to coding, and culture & arts to education. Through these projects and with the support of more than 4,500 volunteers from the Bank, more than 720,000 children were reached out across Türkiye.

Projects supported in 2024:

"Leading 100s in Technology on the 100th Anniversary of the Republic" Project

The Bank was among the project supporters in cooperation with the Women in Technology Association (WTECH).

Climate Protectors are Growing Up Project

A total of 1,411 children from 19 cities were reached between 2022 and 2024.

Scholarship Support to the Turkish Female Physicians' Education Support Foundation

Launched in 2023 in collaboration with KAHEV, the scholarship program continued until June 2024.

Make-A-Wish - Türkiye Project

With the 23 Wishes on 23 April project, the dreams of 23 children were realized.

Collaboration with the Down Syndrome Association of Türkiye

Our project initiated in 2023 with the Down Syndrome Association of Türkiye continues.

Small Hands Big Dreams Education Scholarship

The project initiated with TEV and TED in 2023 is ongoing.

Small Hands are Coding Project

The collaboration initiated in 2015 in cooperation with the Habitat Association continued with new activities.



Nature Pioneers Youth Program

It is being carried out in partnership with WWF Türkiye and the Ministry of National Education.

QNB Türkiye Tales Math Museum

The project partnership started with Tales Math Museum in 2018 continues with new activities.

Success is Everywhere Project

Launched in 2017 with the project partnership of TED and MoNE, the project continues with new activities.

King Şakir

We sponsored a cartoon book series of two books to raise sustainability awareness of more than one hundred thousand children.

Volunteer Program

More than 10 thousand children were reached through 55 volunteer projects.

Projects Supported in Education

“Leading 100s in Technology on the 100th Anniversary of the Republic” Project

In line with QNB Türkiye’s goal of increasing the ratio of women in engineering and technology roles, the Bank collaborated with the Woman in Technology Association (WTECH) and became a sponsor of the “Leading 100s in Technology on the 100th Anniversary of the Republic” Project. This project seeks to enhance the representation of women in STEM (Science, Technology, Engineering, and Mathematics) fields. As part of the project, technical trainings on topics such as Data Analytics, Data Science with Python, Artificial Intelligence with Python, Robotic Process Automation, Process Analyst, and Cyber Security was offered to 4th-year university students, master’s students, doctoral students and graduates studying in STEM departments. Throughout the training, students not only specialized in technology with technical trainings, but also became able to overcome the challenges they may face in the

business world with soft skill trainings. In addition, senior managers of the institutions supporting the project provided mentorship to participating students. At the end of the training program, students received their smart digital certificates and seized the opportunity to have job interviews with the institutions that support them.

Scholarship Support to the Turkish Female Physicians’ Education Support Foundation

With this Project, QNB Türkiye supports 45 students; 44 university and 1 high school students who were affected by the earthquake, for their educational life.

The project started in March 2023 and continued until June 2024. Scholarship recipients are selected from 8 different provinces; 26 are girls and 19 are boys. Scholarship recipients received a total of 16 months of scholarship.

Small Hands Big Dreams Education Scholarship

QNB Türkiye established the Small Hands Big Dreams Education Scholarship with TL 36 million in collaboration with TEV and TED. With this project, 350 primary, high school, and university students will receive scholarships for their entire educational life. At the same time, mentoring and internship activities with university scholarship recipients were initiated in consultation with the TEV Mentoring team. The Bank’s 40 managers and 40 scholarship recipients were matched and mentoring meetings started in August and are planned to continue until March.

QNB Türkiye established the Small Hands Big Dreams Education Scholarship with TL 36 million in collaboration with TEV and TED.



Social and Community Investments

In the first 9 months of 2024, online and face-to-face trainings were organized in 38 different cities, reaching out more than 3,000 children and providing 20 thousand hours of coding training.



Small Hands are Coding

QNB made the coding trainings, provided as part of the “Small Hands are Coding Project” launched under the roof of the Small Hands Big Dreams Corporate Social Responsibility Platform, available to children all over Türkiye free of charge. The project, carried out in cooperation with the Habitat Association, has been providing coding training since 2015. Scratch trainings, which were moved to the online platform in May 2020 due to the COVID-19 pandemic, were provided free of charge to children between the ages of 8 and 14 across Türkiye this year, both online and face-to-face, via the www.minikellerkodyaziyor.com website.

In the project, where children code games according to the theme determined every year, 10 teams that make it to the finals as a result of the evaluations are awarded in their own category. As part of the Scratch Cup 2024, with this year’s theme “Sustainable Living Spaces,” children designed clean energy environmentally friendly project ideas on understanding the importance of renewable and sustainable energy resources, realizing environmental pollution and depletion of natural resources, and most importantly, solving problems. A total of 1,174 teams from 50 different provinces applied to the competition Scratch Cup 2024, whose applications were launched in 2023. As a result of the evaluations, 10 teams (25 children) from 8 provinces

participated in the finals. The Scratch Cup award ceremony was held on 24 May with the participation of 10 finalist teams consisting of 25 children. By the end of 2024, online and face-to-face trainings were organized in 44 different cities, reaching 4,174 children (2,000 online, 2,174 physical) and providing more than 30,000 hours of coding training. 27,000 people accessed to the website of the project. Through in-person trainings for volunteer trainers, 25 trainers were included in the project, and as of 2024, there are 480 volunteer trainers within the project. To date, in addition to Türkiye, the project has reached more than 45 thousand Turkish-speaking children abroad and provided more than 450 thousand hours of coding training.

QNB Tales Math Museum

The project, implemented in collaboration with QNB Türkiye and the Tales Mathematics Museum in Aydın, started in 2018 when QNB Türkiye became the Museum’s sponsor. With this project, QNB Türkiye continues to increase children’s interest in science and mathematics and support their access to educational activities. To broaden the project’s reach and engage more children, the modules from the Museum were placed into a truck named the Tales Mobile Mathematics Museum and traveled to 36 provinces, introducing over 100,000 children to the enjoyable world of mathematics.



During the pandemic, in 2021, the scope of the project was expanded to allow children across Türkiye to access certain modules of the Museum through the QNB Türkiye - Tales Math Museum website. To date, approximately 140,000 children have been reached by this way.

In 2023, "A Day at the Museum" activity was added to the project and children from 10 selected cities had an informative and entertaining experience at the Tales Math Museum. In February 2023, following the devastating earthquakes, most of the children in the project were selected from the earthquake region. In 2024, a total of 5,000 students visited the museum.

King Şakir

Two separate books, Our Planet and Protect the Earth with King Şakir by Varol Yaşaroğlu, beloved by children of all ages, were prepared. In the books, King Şakir and his friends explain how important sustainability is for our world and the causes and solution methods of many problems related to the rapid depletion of resources, climate crisis, and global warming in a gripping way, enabling children to learn while enjoying the story. These books were gifted to more than 100,000 children through bank branches.

Success is Everywhere

The project, which covers eight primary schools in Ankara and Adana, was launched in 2015 in collaboration with Turkish Education Association (TED) and Ministry of National Education (MoNE) under the slogan "Equal Opportunity in Education" with the aim of creating a better education system in public schools and raising the level of education in Türkiye by improving children's cultural and sporting aspects as well as their academic achievements.

The project continues with 8 elementary schools in Adana and Ankara. In total, more than 25,000 children were involved in the project. Teachers and parents, who are their most important and influential role models, were provided training by a reputable educational institution. The areas supported by the project include textbooks, mock exams, books, musical instruments, all necessary needs for sports activities and participation in competitions, accommodation expenses, coding, science festivals, theater and music projects, gazebo days, guidance, etc. Many successes were achieved in schools in various fields, such as sports tournaments, painting contests, proficiency exams, poetry contests, chess, etc.

A total of 5,000 students visited the Tales Maths Museum through the activities that continued in 2024.



Social and Community Investments

In collaboration with TEGV, QNB Türkiye launched a psychosocial support project called “Social and Emotional Post-Disaster Activity Program” for children in the region.



Support for Earthquake Affected Students

QNB also took action to heal the wounds of the devastating natural disaster that occurred in 2023. The Bank is committed to reducing the negative impacts of natural disasters and implementing post-disaster social support practices. Following the major earthquake that struck on February 6, 2023, it worked to help its customers residing in the disaster region. It implemented loan deferrals and restructurings to facilitate the return to normalcy for affected individuals. In addition, the Bank actively supports projects aimed at addressing social problems encountered in the aftermath of such disasters. In line with this commitment, the Bank has implemented many corporate social responsibility projects for children and young people affected by the earthquake, including the TL 36 Million Small Hands Big Dreams Education Scholarship, which was implemented in cooperation with TEV and TED after the earthquake.

Projects Supported for the Environment

Nature Pioneers Youth Program

QNB has been a supporter of the project, which started in 2022 and continued in 2024 under the project management of WWF Türkiye and the Ministry of National Education. In 2024, 10 thousand children received climate education through 1,000 teachers. To date, 20,000 children have received education by a total of 2,000 teachers.

Secondary and high school students reached under the program developed solutions to the problems brought about by the climate crisis using innovative approaches and contemporary technologies. Students produced innovative and transformative projects in the communities of Wildlife Protectors, Water Angels, Plastic Hunters, Food Warriors, and Carbon Catchers. On 4 June, the National Youth Conference was held at the Crystal Tower with the participation of the Head of the General Directorate of Basic Education of the Ministry of National Education, representatives of the Istanbul Provincial Directorate of National Education, WWF Türkiye General Manager and QNB Türkiye's CEO. As a result of the conference evaluations, finalist projects, and young people with projects were awarded.

Climate Protectors are Growing Up

In 2023, the “Climate Protectors are Growing Up” project, which has been carried out since 2022, was transformed into a different format for children in the earthquake region to receive psychological support due to the earthquakes. In collaboration with TEGV, QNB Türkiye launched a psychosocial support project called “Social and Emotional Post-Disaster Activity Program” for children in the region.

In 2022 and 2024, climate awareness training was provided to 1,411 children across 19 cities.



Enpara.com Pet Food Donation Campaign

Enpara.com has long been contributing to projects that support shelter animals. The “Pet Food Transfer” project, which the Bank set out with the idea of “how about turning this sensitivity into a project and enabling customers to become partners in this approach,” transformed into an innovative donation campaign in 2024.

As of year-end 2024, donations from Enpara.com customers, along with the “for every 3 packs of food donated, 1 pack is from us” campaign organized by Enpara.com, have supported the feeding and sheltering needs of approximately 4,500 shelter dogs.

Social Projects Supported

Make-A-Wish - Türkiye

“Make-a-Wish” fulfills the dreams of children aged 3 to 18 who are battling life-threatening illnesses. A new project was included in the collaboration with the 23 Wishes project on April 23 and the wishes of 23 children were fulfilled.

Collaboration with the Down Syndrome Association

As part of QNB Türkiye’s collaboration with the Down Syndrome Association of Türkiye, the +1 Academy for the Future development center was opened in İskenderun. The support center has been planned to have a social worker, physiotherapist, and trainer. Through this center, contact is established with families

in need in container and tent cities and in the city, and work is carried out in the fields of health, education, and psychological counseling with the help of experts. Support is also provided to children with different development and their families, as well as typically developing children and families in need of psychological support.

As part of the project, necessary trainings were initiated before the physical building was established. Training on “Grief and trauma in children in the earthquake region” was provided to the employees of the Directorate of Family.

In order to provide efficient support to families and to measure the outputs, formation studies on measurement and evaluation were initiated. For 2 years, project outputs will be regularly communicated by the association through result reports. The project was completed on 31 January 2025, and reached out to a total of 3,600 individuals.

As part of QNB Türkiye’s collaboration with the Down Syndrome Association of Türkiye, the +1 Academy for the Future development center was opened in İskenderun.

Social and Community Investments	2021	2022	2023	2024
Total Hours Allocated to Volunteering Activities	1,881	1,586	1,500*	2,770
Total Social Investments (TL)	940,000	5,730,000	56,750,000	15,500,000

*Decreased due to the impact of the devastating earthquake disaster that occurred in Türkiye in February 2023.



QNB Türkiye Volunteers

QNB Türkiye views volunteering activities not merely as social responsibility projects but also as a driving force that encourages solidarity, sharing, and positive change among employees.



Through its volunteering approach, QNB Türkiye aims to contribute to sustainable human development while fostering a stronger sense of belonging among its employees. In addition to touching individual lives through projects developed and participated in by its employees, the QNB Türkiye Volunteer Program stands out as one of the largest corporate volunteering initiatives in Türkiye in terms of scope, participation, and outcomes, significantly enhancing the Bank's contributions to the environment and the future.

QNB Türkiye views volunteering activities not merely as social responsibility projects but also as a driving force that encourages solidarity, sharing, and positive change among employees. The Bank's corporate social responsibility approach is designed to actively engage volunteers in processes with their knowledge, experience, energy, and sense of responsibility. Volunteering activities offer both society and individuals a new perspective and development opportunity.

Volunteers are involved in these activities in two main ways. Firstly, they are involved as trainers, participants, or volunteers in main projects such as "Small Hands are Coding" and "Climate Protectors are Growing Up." Secondly, as part of the annual Volunteer Project Competition, employees apply with social responsibility projects they have developed for children between the ages of 4 and 14, and their projects are evaluated by the Committee, which includes senior management. Financial support is provided to the projects that are

decided to be implemented and this process deepens the bond between the Bank and its employees through the corporate social responsibility platform. Since 2015, 55 uniquely valuable projects contributing to children in the fields of education, health, and culture and arts have been carried out with the support of project leaders and Bank Volunteers participating in the Volunteer Project Competition, and the lives of more than 10,000 children have been touched.

Following the 10th "Volunteer Project Competition" and the Committee Meeting attended by the senior management of the Bank and its subsidiaries, it was decided to carry out a total of six projects with the support of QNB Türkiye, QNB Factoring, QNB Insurance, QNB Invest, and QNB Asset Management. In 2024, the following projects were implemented: "Barrier-Free Living Village," "Schools with Leak-Free Roofs," "Blue Library," "We Will See Good Days, Children," "My Grandmother's Banker is Me," and "Reading Circle."

QNB Türkiye aims to contribute to the preparation of children and young people for the future by focusing its efforts on developing initiatives that inspire them. An increasing number of volunteers are increasing the impact of these initiatives by offering underprivileged children in more cities, villages, and schools opportunities for development in areas such as technology, theater, climate, and the arts. Volunteering activities supported by sustainable projects add value to both society and employees and enable the development of talented individuals of the future.



2024 Volunteer Projects

Barrier-Free Living Village

The Project aims to establish a QNB Barrier-Free Living Village School for children with autism, intellectual disabilities, and Down Syndrome living in Erzurum, providing them with a continuous education beyond traditional schooling, equipping students with skills for sports and daily life. With this project, it is planned to provide continuous education that will enable children to participate in society or business life and even raise national athletes.

Schools with Leak-Free Roofs, Unending Hopes

As part of the project, Çataklı Tatarlı Bakırlı Primary School, which has a leaking roof, will be repaired and a healthy environment will be established.

Blue Library

The project aims to contribute to the social development of children in the earthquake region and to color their imaginations. The Blue Library planned to be established in Kahramanmaraş aims to open the door to the world of imagination with the peace of blue.

We Will See Good Days, Children

As part of the project, the shortcomings of Sabiha Gökçen Kindergarten, which has been providing education in a container classroom after the earthquake with many major problems, will be addressed.

My Grandmother's Banker is Me

Within the scope of the project, children and young people who do not know how to use ATMs will be trained in every province where QNB Türkiye branches are located.

Reading Circle

The project aims to provide children with the skills to read and understand books. Additionally, the aim is for children to forge connections with the books they read, embark on an inner journey, and develop their creative thinking skills.

QNB Türkiye aims to contribute to the preparation of children and young people for the future by focusing its efforts on developing initiatives that inspire them.



Sponsorships

In addition to corporate social responsibility projects, QNB Türkiye supports economic and social development through various sponsorship activities.



In addition to corporate social responsibility projects, QNB Türkiye supports economic and social development through various sponsorship activities. The Bank strengthens its social impact dimension by supporting art and sports activities in order to make them known to a wider audience.

With the “Young Talents” Project, QNB Türkiye, together with the Contemporary Education Foundation (ÇEV) and ÇEV Art, supports gifted young musicians, who continue their education in schools where world-renowned musicians are trained, to represent our country in national and international culture & arts. The Bank provides financial support to 29 talented young musicians to meet their needs in the field of music and offers them the opportunity to give concerts where they can introduce themselves on the international stage. Young talents are evaluated according to their talent areas through scholarship auditions organized by ÇEV Art every year, and the project is continued by increasing the number of young talents in each new period. In 2024, 29 uniquely skilled young musicians continued to be supported. A special Republic Concert was held on 8 January for the 100th anniversary of our Republic with young musicians.

The Istanbul Seniors Cup, organized in collaboration with the Tennis Fencing Mountaineering Club (TED), has been running for ten years under the main sponsorship of QNB Türkiye Private Banking. Every year, the Bank hosts the “QNB Türkiye Private Banking Istanbul Masters Cup,” which has a distinguished place among national seniors tournaments, with the participation of well-known business people, famous names of the art community, and TED club members. The tournament, which was organized for the 15th time this year, was held between 7-17 March 2024.

The Bank continues to be the bank of choice for doctors by offering special financial and sports services for doctors for the first time in Türkiye with solutions tailored to professional groups. The TED Doctors Tennis Tournament has been organized under the sponsorship of “QNB Xclusive Doctors” since 2012. The winners of the TED Doctors Tennis Tournament, sponsored by QNB Xclusive Doctors, which offers special services for doctors in the field of banking for the first time in Türkiye, have the chance to be selected for the national team and participate in the Balkan Tournament. The tournament, which was organized for the 41st time this year, was held between 1-8 June 2024.



QNB Türkiye's main shareholder QNB, one of the world's 50 largest banks, has become the main sponsor of Trabzonspor Football Team, one of four major sports clubs in our country. In the past seasons, QNB Türkiye brought Trabzonspor fans together with their team through social media activities and autograph sessions. In addition to match tickets and signed jersey contests, the Bank developed special banking products and campaigns to contribute to Trabzon's economy and offered them to football fans. Its sponsorship adventure, which started with the 50th anniversary of Trabzonspor, one of the most important sports clubs representing our country in Europe, continues as the arm sponsor including the 2023/2024 and 2024/2025 football seasons as well.

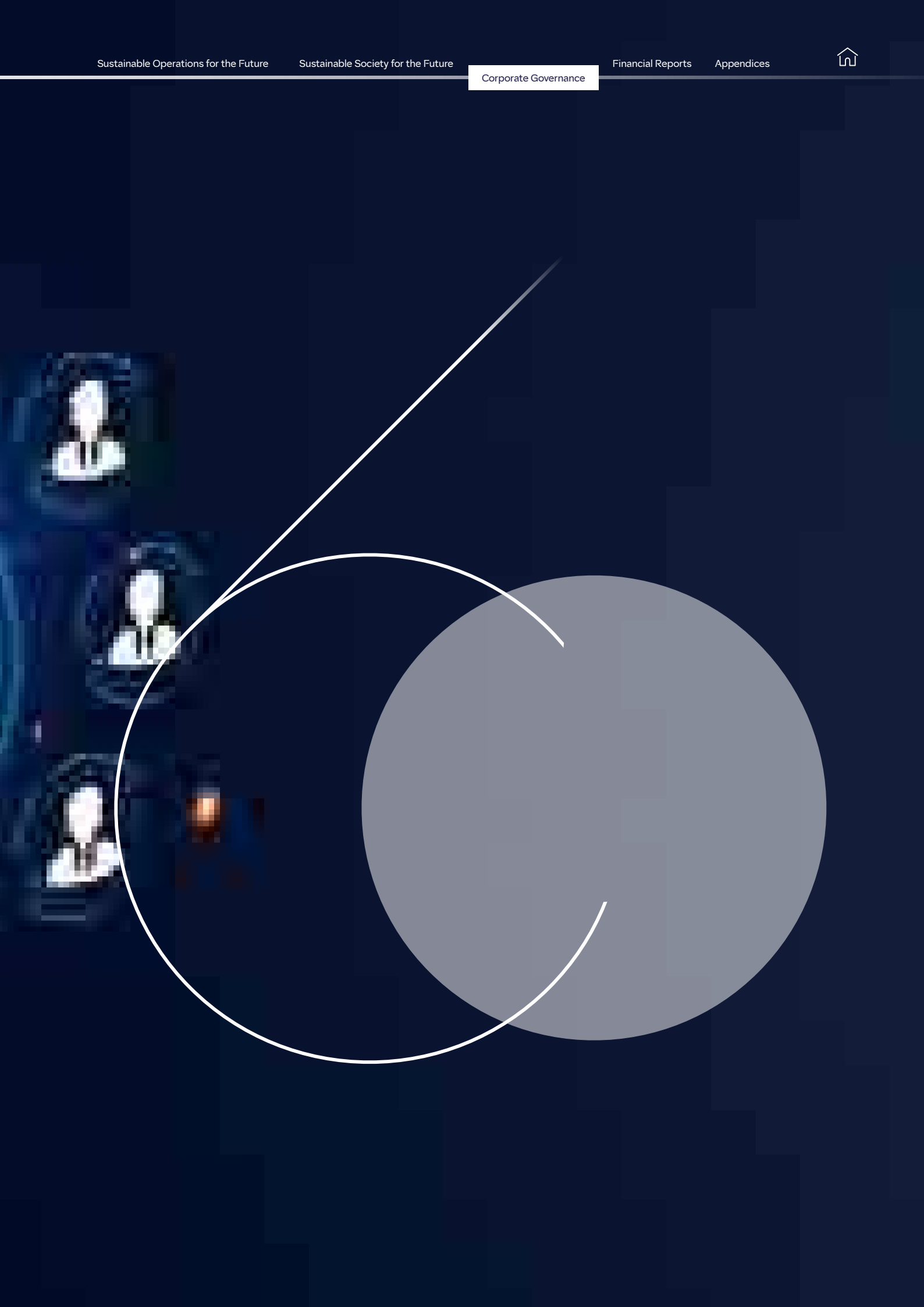
QNB Türkiye continues to be the bank preferred by doctors by offering special financial and sports services for doctors for the first time in Türkiye with solutions tailored to professional groups.



Corporate Governance

QNB Türkiye carries out its activities within the framework of transparency and accountability based on ethical principles with a strong corporate governance approach.







Structure of the Board of Directors



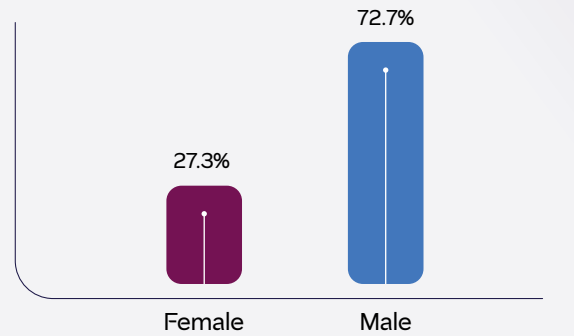
As per Article 21 of QNB BANK A.Ş. Articles of Association, Board members may be elected for a maximum of three years. Re-election of the members is possible. The General Assembly determines the term of office of the Board members. In the event of a vacancy before the end of the term of office, under the Turkish Commercial Code, a new member who meets the legal requirements shall be elected to serve until the general assembly meeting of the following year. The number of independent members of the Board and their qualifications are specified according to the regulations of the Capital Markets Board on Corporate Governance.

To evaluate the performance of the Board of Directors on an annual basis, a self-assessment form has been developed that contains the competence and effectiveness of the Board of Directors as well as its responsibilities in sustainability performance areas such as social, environmental, economic, and governance.

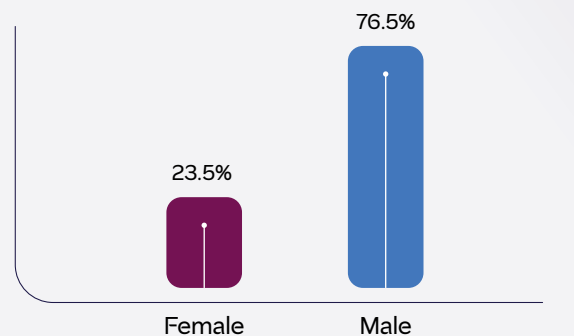
Shareholders may attend the General Assembly meetings either physically or electronically, express their opinions, make suggestions, and vote. "One Share, One Vote" principle is followed, and there are no privileged voting groups.

The Committees may benefit from the opinions of independent experts on matters they deem necessary in relation to their activities. The cost of the consultancy services required by the Committees is covered by the Bank.

Board of Directors by Gender



Senior Management by Gender





Attendance rate of Board members at Board meetings



95.40%



Average seniority of the Board of Directors (year)

11

Average industry experience of the Board of Directors (year)

31

Status of attendance at Committee Meetings

98%

Status of Independence

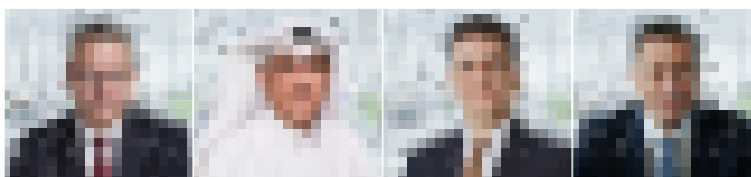
5/11

Average Age

56



Board of Directors Diversity Matrix



Name	Mehmet Ömer Arif Aras	Yousef Mahmoud H. N. Al-Neama	Temel Güzeloğlu	Osman Ömür Tan	
Title	Chairperson	Vice Chairperson	Member of the Board of Directors	General Manager (CEO) and Member of the Board of Directors	
Sector of Experience					
Total experience at QNB Türkiye (by year):	38 years	6 years	21 years	27 years	
Total Experience (by year):	42 years	35 years	31 years	29 years	
Financial/Audit & Risk	●	●	●	●	
Legal/ Public Policy		●			
Cybersecurity/ IT	●	●	●		
M&A/Capital Market		●			
Communications/Marketing/Customer Service		●	●	●	
Environmental/Social		●			
International Experience	●	●	●		
Committee Memberships Under the Board of Directors					
Audit Committee					
Risk Committee	●				
Credit Committee	●	●	●	●	
Corporate Governance Committee					
Remuneration Committee		●	●		
Attendance of Committee Meetings					
Audit Committee					
Risk Committee	12/12				
Credit Committee	30/30	30/30	30/30	30/30	
Corporate Governance Committee					
Remuneration Committee		6/6	6/6		
Independence	Not independent	Not independent	Not independent	Not independent	

⁽¹⁾ Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué

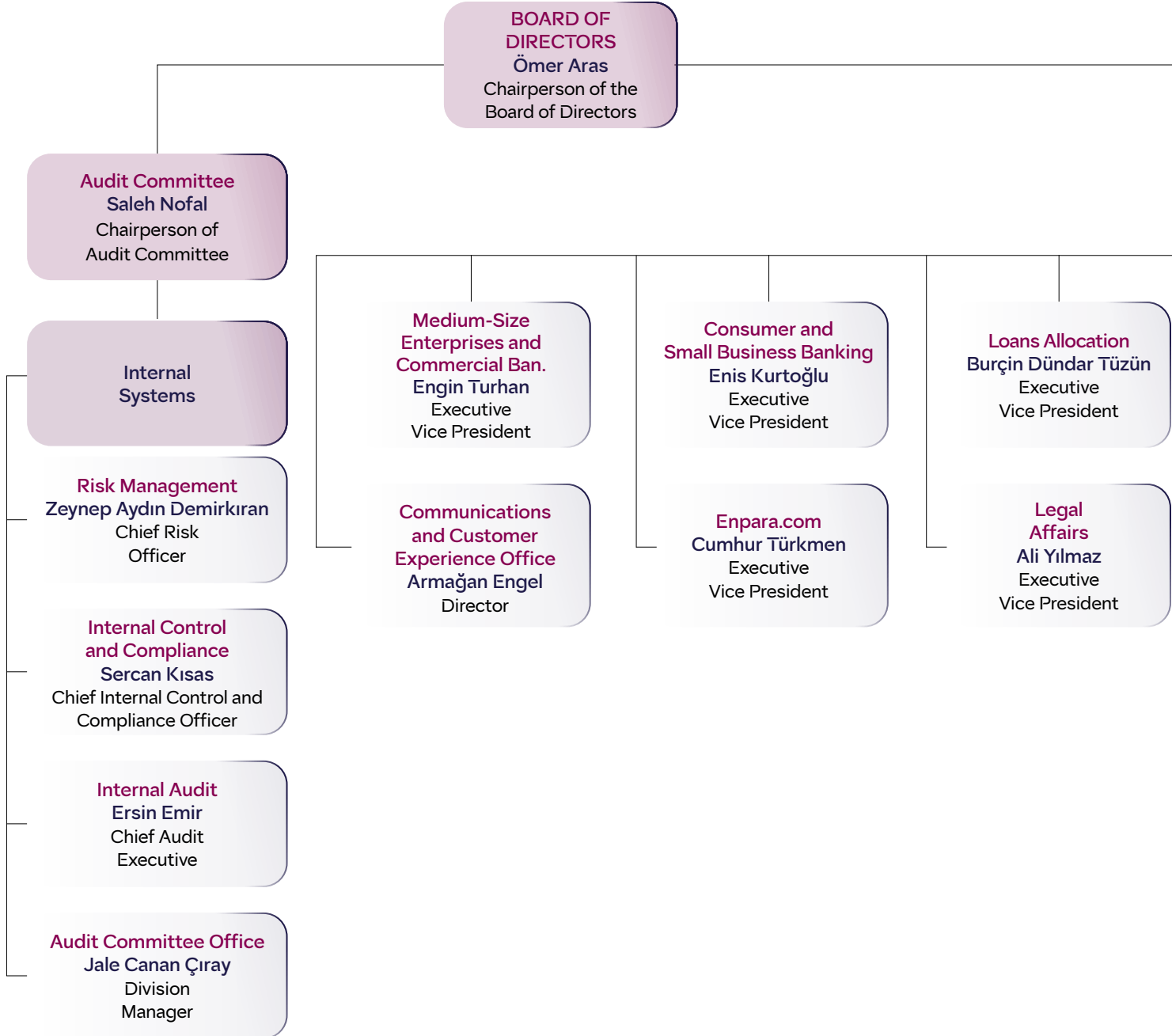


	Adel Ali M. A. Al-Malki	Durmuş Ali Kuzu	Fatma Abdulla S. S. Al-Suwaidi	Noor Mohd J. A. Al-Naimi	Saleh Nofal	Ramzi T. A. Mari	Yeşim Gūra
	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors and Chairperson of the Audit Committee	Member of the Board of Directors	Member of the Board of Directors
	6 years	9 years	9 years	8 years	2 year	9 years	2 year
	27 years	27 years	25 years	24 years	39 years	34 years	33 years
	●	●	●	●	●	●	●
	●	●	●				
		●					
		●				●	●
							●
	●	●	●	●	●	●	●
		●		●	●	●	
	●		●	●	●		
			●	●		●	
					●	●	●
		16/16		15/16	16/16	15/16	
	11/12		7/12		12/12		
			30/30				
					8/8	7/8	7/8
	Not independent	Independent ⁽¹⁾	Not independent	Independent ⁽¹⁾	Independent ⁽¹⁾	Independent ⁽¹⁾	Independent

The CVs of the Board of Directors members are included on pages 34-36 of the 2024 Integrated Annual Report.

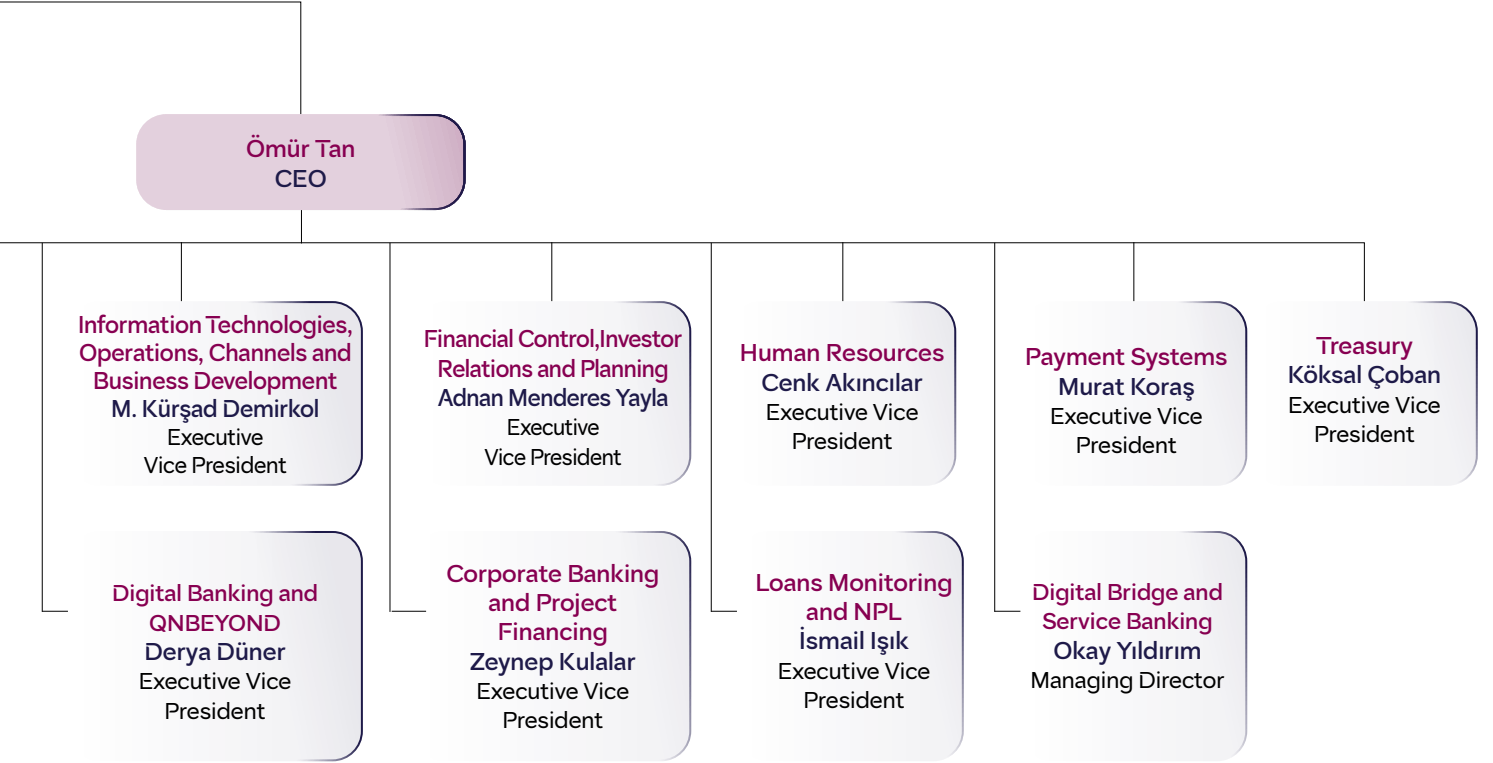


Organizational Structure and Changes ^{(1),(2)}



⁽¹⁾ As of 2024, Digital Banking units were merged under a single roof in order to increase effectiveness and efficiency, and the Department was renamed "Digital Banking and QNBeyond."

⁽²⁾ As of 2024





Remuneration and Financial Rights

The principles of remuneration for Board Members and senior management are determined in line with the principles set out in the Remuneration Policy, and practices and decisions of the Human Resources Department as well as the Remuneration Committee, in addition to QNB Türkiye's Articles of Association, the Guidelines on Best Compensation Practices of Banks, and the Communiqué on Corporate Governance Principles by CMB. In this context, the "Remuneration Policy" was reviewed in 2024 and approved by the Board of Directors with the necessary updates. While determining these wages, it is aimed to keep the salary levels at a satisfactory level and thus ensure the retention of employees with the necessary qualifications and experience in the organization. Pension rights are determined in accordance with the country's Social Security Institution legislation. Pension criteria are based on seniority, and insurance premiums are held in the same scope for each manager.

The income of the Bank's employees is determined within the framework of policies based on their business line, job family, title, level, and position and approved by senior management and the Remuneration Committee. Internal balance and fairness are essential in Remuneration Management. Taking into account the Bank's objectives, internal balance, and the industry, base salary and reward (variable salary) policies are determined on the basis of position in line with the remuneration policies. All remuneration processes are approved by the Remuneration Committee. Aimed to function as a tool of variable compensation in remuneration management, the bonus structure is designed in order to promote high performance without encouraging excessive risk-taking, to reward the success and contribution of the employee, to support the Bank's business strategy and goals.

The remuneration of the members of the Board of Directors is determined by the General Assembly. The remuneration of Executive Vice Presidents and other employees is determined by the Board of Directors upon the recommendation of the Remuneration Committee. Senior management targets include sustainability items based on diversity and inclusion. The remuneration of senior management is determined based on the industry, internal balance analyses, and performance criteria, taking into account the realization of all business targets assigned to them. No independent experts are consulted on the performance assessment of the Board of Directors. For the purpose of assessing the performance of the Board of Directors on an annual basis, a self-assessment form has been established, which includes the competence and effectiveness of the Board of Directors as well as its responsibilities in sustainability performance areas such as social, environmental, economic and governance. The form is reviewed every year as part of the update process. In this context, the self-assessment of the Board of Directors for 2024 was completed and a presentation was made to the Board of Directors.



Committees Under the Board of Directors

Audit Committee

Audit Committee, on behalf of the Board of Directors, is responsible for monitoring the effectiveness, efficiency and adequacy of the internal systems of the Bank, the functioning of these systems together with accounting and reporting systems in accordance with the Law and applicable regulations and the integrity and reliability of information generated by such systems, carrying out necessary preliminary evaluations required for the selection of the independent external audit companies and rating, valuation and support service companies by the Board of Directors, regularly monitoring the activities of the companies selected and contracted and ensuring that the internal audit activities of subsidiaries subject to consolidation are carried out on a consolidated basis and in coordination with internal audit activities of the Bank.

Board Member:

Saleh Nofal (Committee Chairperson)

Board Member:

Ramzi T.A. Mari

Board Member:

Durmuş Ali Kuzu

Board Member:

Noor Mohd J. A. Al-Naimi

Risk Committee

The Risk Committee is responsible for determining the Bank's risk management policies and strategies, reviewing all types of risks to which the Bank is exposed, monitoring the implementation of risk management strategies, and bringing significant risk issues to the attention of the Board of Directors.

Chairperson of the Board of Directors:

Mehmet Ömer Arif Aras (Committee Chairperson)

Board Member:

Fatma Abdulla S.S. Al-Suwaidi

Board Member:

Adel Ali M. A. Al-Malki

Board Member and Chairperson of the Audit Committee:

Saleh Nofal

Credit Committee

The duty of the Credit Committee is to evaluate and approve loans and to ensure effective and efficient credit risk management in accordance with the current legal regulations within the framework of the authority granted to it by the Board of Directors in accordance with the Banking Law No. 5411.

Board Member:

Fatma Abdulla S.S. Al-Suwaidi (Committee Chairperson)

Chairperson of the Board of Directors:

Mehmet Ömer Arif Aras

Vice Chairperson of the Board of Directors:

Yousef Mahmoud H.N. Al-Neama

Board Member:

Temel Güzeloğlu

General Manager and Board Member:

Osman Ömür Tan

Alternate Members:

Ramzi T.A. Mari and Noor Mohd J. A. Al-Naimi

Corporate Governance Committee

The Corporate Governance Committee was established to ensure that our Bank reaches the best practice standards regarding corporate governance, to monitor its compliance with the corporate governance principles set forth in the Banking Law and capital markets legislation, and to ensure that the composition, structure, working procedures, and principles of the Board of Directors comply with legal regulations. Within the scope of Article 4.5.1 of the Corporate Governance Communiqué, a separate Nomination Committee was not established, and the Corporate Governance Committee also fulfills the duties of this committee.

Board Member:

Ramzi T.A. Mari (Committee Chairperson)

Board Member and Chairperson of the Audit Committee:

Saleh Nofal

Board Member:

Yeşim Gura

Investor Relations Manager:

Burcu Günhar

Remuneration Committee

Established to define the remuneration and rewarding policies of all employees, including Board members and senior management, and to make recommendations to the Board of Directors to ensure that these policies are in line with the Bank's ethical values, internal practices, and objectives.

Vice Chairperson of the Board of Directors:

Yousef Mahmoud H.N. Al-Neama (Committee Chairperson)

Board Member:

Temel Güzeloğlu



Participation at the Board and Board Committee Meetings

In 2024, the Board of Directors held 6 meetings and all members were present at these meetings except for exceptional circumstances. In addition, the Board of Directors took various decisions without a meeting in 2024 under Article 390 of the Turkish Commercial Code.

The Audit Committee held 16 meetings in 2024, and all members were present at these meetings excluding exceptional circumstances. The Committee submitted 4 reports to the Board of Directors.

The Risk Committee held 12 meetings in 2024, and except for exceptional circumstances all members were present at all meetings. The Committee submitted 12 reports to the Board of Directors.

The Corporate Governance committee held 8 meetings in 2024, and all members were present at these meetings except when their attendance was prevented due to reasonable circumstances. The Committee submitted 1 report to the Board of Directors.

The Remuneration Committee held 6 meetings in 2024. The Committee submitted 1 report to the Board of Directors.

The Credit Committee held 30 meetings in 2024.

Other Committees in the Bank

Corporate Loans Management Risk Committee

The primary purposes of the Business Loans Management Risk Committee of QNB Türkiye are effective management, risk monitoring, and steering of activities of the Bank, as well as reviewing strategy and activity proposals for all business loans, i.e., micro, SME, agriculture, commercial and corporate portfolios. Members of the Corporate Loan Policies Committee are as follows:

- General Manager (Committee Chairperson)
- Executive Vice President of Credits
- Executive Vice President of Loan Monitoring and Follow-up
- Executive Vice President of Corporate Banking and Project Finance
- Executive Vice President of Commercial and Medium Size Enterprises Banking
- Executive Vice President of Consumer and Small Banking
- Executive Vice President of Payment Systems

Retail Loans Management Risk Committee

The primary purposes of the Retail Loans Management Risk Committee of QNB Türkiye are effective management, risk monitoring, and steering of activities of the Bank, as well as reviewing strategy and activity proposals for all retail loans, i.e., credit cards, personal need loans, mortgage and overdraft portfolios. Members of the Retail Loans Management and Policies Committee are as follows:

- General Manager (Committee Chairperson)
- Executive Vice President of Consumer and Small Banking
- Executive Vice President of Payment Systems
- Executive Vice President of Enpara.com
- Executive Vice President of Credits
- Executive Vice President of Loan Monitoring and Follow-up

Reputational Risk Management Committee

The Reputational Risk Committee was established in order to manage the reputational risk of the Bank and adopt and implement related policies on reputational risk within the scope of the BRSA regulations. The committee members are as follows:

- Chief Risk Officer (Committee Chairperson)
- Human Resources Deputy General Manager
- Executive Vice President of Legal Affairs
- Chief Internal Control and Compliance Officer
- HR Recruitment, Organization, Performance, and Talent Management Director
- Public Relations and Customer Experience Office Director
- Enpara.com Digital Banking Director
- Deputy Head of Internal Control and Compliance (Compliance)
- Customer Experience Office Division Manager
- Customer Solution Center Division Manager
- Investor Relations Manager
- Personal Data Protection and Management Manager
- Operational Risk and Business Continuity (ORBC) Division Manager



Other Committees in the Bank

Operational Risk Management Committee

The Operational Risk Management Committee is responsible for determining operational risk policies, reviewing and discussing operational risk issues of the Bank, and ensuring action plans to minimize them.

Members of the Operational Risk Management Committee are as follows:

- Chief Risk Officer (Committee Chairperson)
- Executive Vice President of Information Technologies, Operations, Channels and Business Development
- Chief Internal Control and Compliance Officer
- Executive Vice President of Corporate Banking and Project Finance
- Executive Vice President of Commercial and Medium Size Enterprises Banking
- Chief Information Security Officer
- Enpara.com Digital Banking Director
- Mass Banking Director
- Operational Risk and Business Continuity Division Manager
- Loan Policy and Project Management Division Manager

Assets and Liabilities Committee

The primary purpose of the Asset and Liability Committee is to monitor and manage the balance sheet structure and structural asset-liability mismatch of the Bank, as well as to monitor, control, and manage the liquidity risk within the limits set by the Board of Directors. The Committee evaluates monthly reports submitted by Risk Management and determines critical issues regarding risk. The Committee has six members:

- Chairperson of the BoD (Committee Chairperson)
- General Manager (CEO)
- Executive Vice President of Financial Control, Planning and Purchasing (CFO)
- Executive Vice President of Treasury
- Balance Sheet Management Director

IFRS 9

The IFRS 9 Committee has been appointed by the Board of Directors to carry out the duties specified in these bylaws. The Committee oversees and manages the entire IFRS 9 process at the operational level. The IFRS 9 Committee consists of the following standing members:

- General Manager (Committee Chairperson)
- Executive Vice President of Financial Control, Planning and Purchasing (CFO)
- Head of Risk Management
- Executive Vice President of Loan Monitoring and Follow-up
- Financial Legal Reporting and Treasury Control Director
- Loan Analytics and Retail Monitoring Director
- Credit Risk Management Division Manager
- Financial Reporting and Treasury Control Division Manager

Sustainability Committee

The Sustainability Committee, in broad terms, is established to provide adequate, effective, and strategic oversight for the Bank's overall sustainability initiatives, to monitor the sustainability performance of the Bank, and to provide support and guidance to ensure sustainability projects are on track. Members of the Sustainability Committee are as follows:

- General Manager/CEO (Committee Co-Chair)
- Director of Treasury/International Banking (Committee Co-Chair)
- Head of Risk Management
- Executive Vice President of Financial Control, Planning and Purchasing (CFO)
- Chief Internal Control and Compliance Officer
- Executive Vice President of Legal Affairs
- Executive Vice President of Corporate Banking and Project Finance
- Executive Vice President of Commercial and ME Banking
- Executive Vice President of Consumer and Small Banking
- Executive Vice President of Payment Systems
- Executive Vice President of Enpara.com
- Executive Vice President of Credits
- Human Resources Deputy General Manager
- Executive Vice President of Information Technologies, Operations, Channels and Business Development
- Head of Corporate Digital Banking and Digital Transformation
- Public Relations and Customer Experience Office Director
- Purchasing Director
- Investor Relations Manager



Other Committees in the Bank

Disciplinary Committee

This is the committee authorized to define the disciplinary penalties to be imposed on employees at QNB BANK A.Ş. who violate the instructions of their superiors, general banking conducts and customs, internal regulations, and laws, and to determine the situations in which they will be applied, and to carry out the actions to be taken in the event of the situations specified under the title of Disciplinary Penalties. The Committee members are as follows:

- Executive Vice President of Legal Affairs (Committee Chairperson)
- Head of Internal Audit
- Deputy Head of Internal Audit Department
- Chief Internal Control and Compliance Officer
- Head of Risk Management
- Human Resources Deputy General Manager
- Executive Vice President of Information Technologies, Operations, Channels and Business Development
- Executive Vice President of Financial Control, Planning and Purchasing (CFO)
- Executive Vice President of Consumer and Small Banking
- Executive Vice President of Commercial and Medium Size Enterprises Banking

Anti-Money Laundering and Counter Financing of Terrorism (AML-CFT) Committee

This Committee is responsible for evaluating and deciding whether to establish a business relationship with customers or to terminate the existing business relationship in cases where there is hesitation and/or deemed to be high risk, evaluating and deciding in cases where there is a strong conviction that there is a violation of national and international sanctions and related legal regulations and that there is a high risk in continuing transactions or existing business relationships, and ensuring that the Bank prioritizes the projects it requires to comply with the regulations on the prevention of laundering proceeds of crime, terrorism and the proliferation of weapons of mass destruction. The Executive Vice Presidents overseeing the following departments, or individuals holding a minimum title of Manager appointed by them, serve as members of the Committee:

- Chief Internal Control and Compliance Officer (Committee Chairperson)
- Consumer and Small Business Banking
- Commercial and Medium Sized Banking, Cash Management and Foreign Trade
- Corporate Banking and Project Financing
- Treasury
- Legal Counseling
- Information Technologies, Operations, Channels, and Business Development
- Payment Systems
- Information Security Management

Centralized Purchasing Committee

The Centralized Purchasing Committee was formed to provide stronger control management for expenses and purchasing policies. This Committee has four members:

- Member of the BoD (Temel Güzeloğlu - Committee Chairperson)
- General Manager (CEO)
- Executive Vice President of Information Technologies, Operations, Channels and Business Development
- Executive Vice President of Financial Control, Planning and Purchasing (CFO)

Information Security and Cyber Security Committee

The Information Security Committee is generally responsible for determining information security strategy, determining risk appetite on information security subjects and observation, following information security risks and measures taken, evaluating legal requirements and compliance, reviewing information security policy and standards regularly, and ensuring efficiency in line with the needs of the Bank. The QNB Bank Information Security Committee members are as follows:

- General Manager (CEO) (Chairperson)
- Information Technologies, Operations, Channels and Business Development
- Consumer and Small Business Banking
- Payment Systems
- Internal Audit
- Internal Control and Compliance Department
- Risk Management
- Human Resources
- Legal Counseling
- Chief Information Security Officer (CISO)

Information Systems Strategy Committee

The Information Systems Strategy Committee is responsible for managing Information Systems goals, strategies, and investments in line with the business goals and strategies of the Bank on behalf of the Board of Directors of the Bank. The Committee members are as follows:

- General Manager (Committee Chairperson)
- Chief Information Officer (CIO)
- Senior Executives from Relevant Business Units
- Ibttech Management Board
- Project Management Office



Information Systems Steering Committee

The Information Systems Steering Committee was established to assist the Information Systems Strategy Committee and senior management in the fulfillment of its duties for the management of Information Systems strategy and risks delegated by the Bank's Board of Directors. The Committee members are as follows:

- General Manager (CEO)
- Chief Information Officer
- Information Systems Representative(s)
- Human Resources Representative(s)
- Representative(s) from Relevant Business Units of the Bank
- Compliance Representative(s)
- Legal Department Representative(s)

Information Systems Continuity Committee

The Information Systems Continuity Committee is responsible for ensuring the continuity of Information Systems Services used in carrying out banking activities. The Committee members are as follows:

- Information Systems Continuity Management Officer
- Operational Risk and Business Continuity Division Manager
- Executive Vice President of Information Technologies, Operations, Channels and Business Development
- HR Recruitment, Organization, Performance, and Talent Management Director
- Purchasing Director
- Information Security and Management Consulting Designer/Department Manager
- Deputy Head of Internal Control and Compliance (Internal Control)
- Operational Risk and Business Continuity Division
- Legal Division Head of Retail Banking and Payment Systems
- Legal Division Head of Retail Banking and Payment Systems
- Chief Information Security Officer
- IT Infrastructure Director
- IT Operations Division Manager
- IT Software and Applications Director

Information Sharing Committee

The Information Sharing Committee is responsible for coordinating the sharing of confidential customer and bank information, assessing the appropriateness of sharing requests, and recording these assessments, including the working procedures and principles approved by the Board of Directors in accordance with the principle of proportionality and the obligations assigned to it. Members of the Information Sharing Committee are as follows:

- Executive Vice President of Legal Affairs (Committee Chairperson)
- Chief Internal Control and Compliance Officer
- Relevant asset owner business line Executive Vice President
- Relevant business line Executive Vice President

Support and External Services Committee

It is responsible for all support and external services that the Bank wishes to receive and that are considered by Compliance to be subject to the BRSA's Regulation on Banks' Procurement of Support Services and the Regulation on Banks' Information Systems and Electronic Banking Services. The organization of the committee is listed below:

- Chief Risk Officer (Committee Chairperson)
- Operational Risk Management Department Manager
- Chief Internal Control and Compliance Officer
- Deputy Head of Internal Control and Compliance (Compliance)
- Executive Vice President of Information Technologies
- Chief Information Security Executive (CISO)
- Executive Vice President of Information Technologies
- Relevant Information Technologies Director
- Executive Vice President of Legal Affairs
- Relevant Legal Department Counselor
- Executive Vice President of Financial Control
- Purchasing Director

ESG Policies

The Sustainability Policy and supporting ESG (Environmental, Social, and Governance) policies are approved by the Board of Directors and published in the sustainability section of the Bank's corporate website.

For detailed information, please visit **Policies**.



Information on the General Assembly

AGENDA OF THE ORDINARY GENERAL ASSEMBLY

1. Opening and constitution of the Presidential Board; authorization of the Presidential Board to sign the meeting minutes of the General Assembly of Shareholders
2. Presentation of the 2024 Integrated Annual Report of the Board of Directors to the approval of the General Assembly upon reading and deliberations
3. Presentation of 2024 Integrated Annual Report of the Auditor to approval of the General Assembly upon reading
4. Presentation of 2024 financial statements (balance sheet - profit&loss accounts) to approval of the General Assembly upon reading and deliberations
5. Resolution concerning the accrued profit of 2024 in accordance with the balance sheet and the contingency reserves of the past year
6. Presentation of transactions regarding sale of some part of NPL portfolios executed in 2024 to approval of the General Assembly
7. Appointment of Board of Directors members; determination of number of the Board members and their term of offices
8. Resolution regarding the release of the members of the Board of Directors for their activities in 2024
9. Determination of the remuneration of the members of the Board of Directors
10. Determination of the Auditor as per the Turkish Commercial Code and other related legislation
11. Resolution on granting permissions to the Board members within the scope of Articles 395 and 396 of the Turkish Commercial Code
12. Determination of upper limit of donations to be made in 2025 as the Capital Markets Law and related legislation
13. Information regarding donations made in 2024
14. Information regarding disclosure policy of the Bank
15. Information on dividend distribution policies
16. Information on transactions performed in 2024 within the scope of Article 1.3.6. of the Communiqué on Corporate Governance Principles of the Capital Markets Board numbered II-17.1.
17. Information regarding remuneration policies of the Board members and senior management
18. Wishes and hopes

AGENDA OF THE EXTRAORDINARY GENERAL ASSEMBLY

1. Opening and constitution of the Meeting Chair; authorization of the Presidential Board to sign the meeting minutes of the General Assembly of Shareholders,
2. Resolution on the amendment of Articles 3, 4, 5, 12, 16, and 30 TO the Bank's Articles of Association within the scope of the permits obtained from the Banking Regulation and Supervision Agency, the Capital Markets Board, and the Ministry of Trade of the Republic of Türkiye,
3. Wishes and requests.

AMENDMENTS OF THE ARTICLES OF ASSOCIATION

Within the scope of branding strategies, it has been decided to change the logo and trade name of the Bank. Following the registration of Extraordinary General Assembly resolution dated October 1, 2024 on the October 11, 2024; the commercial title "QNB FİNANSBANK A.Ş." was changed to "QNB BANK A.Ş.". In addition, within the scope of the Extraordinary General Assembly resolutions dated October 1, 2024, Articles 3 - 4 - 5 - 12 - 16 - 30 of the Articles of Association of the Bank were amended as follows:

PREVIOUS VERSION

ARTICLE 3 TRADE NAME AND BUSINESS NAME

The Bank's trade name is "QNB Finansbank Anonim Şirketi". The Bank's business name is briefly "QNB Finansbank".

ARTICLE 4

PURPOSE AND SUBJECT MATTER

A) The purpose and scope of the Bank's establishment, subject to the provisions of the Banking Law and applicable legislation, are as follows:

NEW VERSION

ARTICLE 3 TRADE NAME AND BUSINESS NAME

The Bank's trade name is "QNB Bank Anonim Şirketi". The Bank's business name is briefly "QNB".

ARTICLE 4

PURPOSE AND SUBJECT MATTER

A) The purpose and scope of the Bank's establishment, subject to the provisions of the Banking Law and applicable legislation, are as follows:



- a. To carry out all kinds of banking transactions,
- b. To engage in all kinds of undertakings and initiatives related to economic, financial, commercial, industrial, mining, public works, energy, agriculture, transportation, foreign sales, foreign purchases, tourism, and insurance issues and activities to bring foreign capital to our country,
- c. To establish foundations (facilities) for the purposes of social and cultural activities, especially in banking education, organization, and dissemination of modern banking systems related to the development of the country, and granting scholarships to talented people for education and internship at home and abroad, and to participate in those foundations already established for such purposes; to make all kinds of aids and donations in cash and/or in kind, provided that the upper limit of the donations to be made must be determined by the General Assembly, no donations exceeding this limit may be distributed, that the donations do not contradict the regulations of the Capital Markets Law on disguised profit transfer, that the necessary material event disclosures are made, and that the donations made during the year are submitted for the information of the shareholders at the General Assembly;
- d. To monitor and study the developments in economic, financial, technical, and banking fields at home and abroad, to have them monitored and studied, and to make publications on these subjects,
- e. To undertake, or commission the undertaking of, the organization or reorganization of domestic or foreign banks, companies, institutions, organizations, and sole proprietorship, either existing or to be established, or to undertake their consultancy,
- f. To buy and sell all kinds of capital market instruments, all kinds of shares (including Public Partnership Securities), bonds, to issue securities, to carry out securitization, to act as an intermediary in the purchase and sale of securities in accordance with the provisions of the Capital Markets Law and related legislation,
- g. To carry out the matters specified in the preceding paragraph, either independently or in collaboration with domestic or foreign natural or legal persons, or in the capacity of a proxy acting on their behalf and account,
- h. Without prejudice to the provisions of Article 21/1 of the Capital Markets Law (the "CML"), to establish all kinds of domestic or international companies (including banks) if deemed beneficial; to participate in companies and banks established for the same purpose; to purchase their shares; to take over similar companies and banks in whole or in part, and to transfer or sell all these to others when necessary,
- i. To act as a correspondent or representative for domestic or foreign banks and to confer upon them the Bank's correspondent or representative status,

- a. To carry out all kinds of banking transactions,
- b. To engage in all kinds of undertakings and initiatives related to economic, financial, commercial, industrial, mining, public works, energy, agriculture, transportation, foreign sales, foreign purchases, tourism, and insurance issues and activities to bring foreign capital to our country,
- c. To establish foundations (facilities) for the purposes of social and cultural activities, especially in banking education, organization, and dissemination of modern banking systems related to the development of the country, and granting scholarships to talented people for education and internship at home and abroad, and to participate in those foundations already established for such purposes; to make all kinds of aids and donations in cash and/or in kind, provided that the upper limit of the donations to be made must be determined by the General Assembly, no donations exceeding this limit may be distributed, that the donations do not contradict the regulations of the Capital Markets Law on disguised profit transfer, that the necessary material event disclosures are made, and that the donations made during the year are submitted for the information of the shareholders at the General Assembly;
- d. To monitor and study the developments in economic, financial, technical, and banking fields at home and abroad, to have them monitored and studied, and to make publications on these subjects,
- e. To undertake, or commission the undertaking of, the organization or reorganization of domestic or foreign banks, companies, institutions, organizations, and sole proprietorship, either existing or to be established, or to undertake their consultancy,
- f. To buy and sell all kinds of capital market instruments, all kinds of shares (including Public Partnership Securities), bonds, to issue securities, to carry out securitization, to act as an intermediary in the purchase and sale of securities in accordance with the provisions of the Capital Markets Law and related legislation,
- g. To carry out the matters specified in the preceding paragraph, either independently or in collaboration with domestic or foreign natural or legal persons, or in the capacity of a proxy acting on their behalf and account,
- h. Without prejudice to the provisions of Article 21/1 of the Capital Markets Law (the "CML"), to establish all kinds of domestic or international companies (including banks) if deemed beneficial; to participate in companies and banks established for the same purpose; to purchase their shares; to take over similar companies and banks in whole or in part, and to transfer or sell all these to others when necessary,
- i. To act as a correspondent or representative for domestic or foreign banks and to confer upon them the Bank's correspondent or representative status,



Information on the General Assembly

j. Without prejudice to Article 21/1 of the CML, to establish insurance companies; to purchase shares of established insurance companies; to establish business partnerships; to act as an intermediary of domestic or foreign insurance companies,

k. To undertake the representation, attorneyship, and agency of domestic or foreign companies and organizations related to the works falling within its purpose and subject matter,

l. To engage in commission transactions in general,

m. To the extent permitted by applicable laws and in particular the Banking Law, to dispose of all kinds of movable and immovable properties and intangible, patent, trademark and intellectual (including know-how) rights, unlimited or limited rights in rem and rights in personam; to pledge or mortgage, sell or lease those mentioned above when necessary; and to accept all kinds of pledges and mortgages including business pledge in favor of the Bank; to have the lease and sales promise agreements annotated to the land registry in favor of the Bank.

B) The Bank may also, within the limits set by the Banking Law and the legislation in force, provide consultancy and intermediary services to public and private sector institutions in the fields of financing, project financing, mergers, privatization, share and stock evaluations and transfers, feasibility studies and sector researches, and counter-trade.

In case of any change to the purpose and subject matter of the Bank, the necessary authorizations must be obtained from the Ministry of Customs and Trade, the Capital Markets Board, and the Banking Regulation and Supervision Agency.

ARTICLE 5

HEAD OFFICE AND BRANCHES

The company is headquartered in Istanbul. Its address is "Esentepe Mahallesi, Büyükdere Cad. Kristal Kule Binası No: 215 Şişli - İstanbul." In the case of a change of address, the new address shall be registered with the Trade Registry, published in the Turkish Trade Registry Gazette, and also notified to the Ministry of Customs and Trade as well the Capital Markets Board. The notifications made to the registered and announced address shall be deemed to be made to the Company. This condition is considered a reason for termination for a Company that moved from its registered and announced address but failed to register its new address in due time.

The Bank may establish branches, agencies, liaison offices, and representative offices domestically and internationally, provided the necessary legal permits are obtained.

j. Without prejudice to Article 21/1 of the CML, to establish insurance companies; to purchase shares of established insurance companies; to establish business partnerships; to act as an intermediary of domestic or foreign insurance companies,

k. To undertake the representation, attorneyship, and agency of domestic or foreign companies and organizations related to the works falling within its purpose and subject matter,

l. To engage in commission transactions in general,

m. To the extent permitted by applicable laws and in particular the Banking Law, to dispose of all kinds of movable and immovable properties and intangible, patent, trademark and intellectual (including know-how) rights, unlimited or limited rights in rem and rights in personam; to pledge or mortgage, sell or lease those mentioned above when necessary; and to accept all kinds of pledges and mortgages including business pledge in favor of the Bank; to have the lease and sales promise agreements annotated to the land registry in favor of the Bank.

B) The Bank may also, within the limits set by the Banking Law and the legislation in force, provide consultancy and intermediary services to public and private sector institutions in the fields of financing, project financing, mergers, privatization, share and stock evaluations and transfers, feasibility studies and sector researches, and counter-trade.

In case of any change to the purpose and subject matter of the Bank, the necessary authorizations must be obtained from the Ministry of Trade, the Capital Markets Board, and the Banking Regulation and Supervision Agency.

ARTICLE 5

HEAD OFFICE AND BRANCHES

The company is headquartered in Istanbul. Its address is "Esentepe Mahallesi, Büyükdere Cad. Kristal Kule Binası No: 215 Şişli - İstanbul." In the case of a change of address, the new address shall be registered with the Trade Registry, published in the Turkish Trade Registry Gazette, and also notified to the Ministry of Trade as well the Capital Markets Board. The notifications made to the registered and announced address shall be deemed to be made to the Company. This condition is considered a reason for termination for a Company that moved from its registered and announced address but failed to register its new address in due time.

The Bank may establish branches, agencies, liaison offices, and representative offices domestically and internationally, provided the necessary legal permits are obtained.



ARTICLE 12

CALLING GENERAL ASSEMBLIES TO CONVENE

a. The authority to call the General Assembly for an ordinary meeting belongs to the Board of Directors and the liquidators in accordance with the relevant provisions of the Turkish Commercial Code and to the shareholders under the conditions stipulated by law.

b. The General Assembly shall be called for a meeting by an announcement made at least three weeks prior to the meeting date, excluding the announcement and meeting days and the announcement shall be published in the Turkish Trade Registry Gazette, in at least one newspaper circulated in the location of the Bank's Head Office, and through other media as required by the applicable legislation. The announcements must include the venue, date, time, and agenda of the meeting. In addition, the announcements calling the Ordinary General Assembly to convene shall also specify that the balance sheet, profit and loss statement, financial statements, consolidated financial statements, dividend distribution proposal of the board of directors, annual report of the board of directors, and audit reports shall be made available for the inspection of the shareholders at the head office and branches of the Bank at least fifteen days prior to the meeting date.

c. The venue, date, time, and agenda of the General Assembly meeting shall be notified to the Ministry of Customs and Trade and the Banking Regulation and Supervision Agency in accordance with the relevant legislation by the office of the Bank's General Manager prior to the meeting date, together with other documents related to the meeting, if any. The provisions of the Capital Market Legislation are reserved.

ARTICLE 16

MANAGEMENT OF GENERAL ASSEMBLY MEETINGS AND MINUTES

The General Assembly meetings are managed in accordance with the provisions of the "Internal Directive on the Working Principles and Procedures of the General Assembly Meetings of QNB Finansbank A.Ş." prepared within the framework of the Turkish Commercial Code and other relevant legislation and the provisions of the Articles of Association.

The minutes of the General Assembly meeting are prepared in accordance with the relevant legislation and the provisions of the "Internal Directive on the Working Principles and Procedures of the General Assembly Meetings of QNB Finansbank A.Ş."

A representative of the Ministry of Trade of the Republic of Türkiye must be present at the General Assembly meetings.

ARTICLE 30

SUBMISSION OF THE ARTICLES OF ASSOCIATION

The Articles of Association shall be printed and its copies shall be sent to the Ministry of Trade of the Republic of Türkiye, the Banking Regulation and Supervision Agency, and the Capital Markets Board.

ARTICLE 12

CALLING GENERAL ASSEMBLIES TO CONVENE

a. The authority to call the General Assembly for an ordinary meeting belongs to the Board of Directors and the liquidators in accordance with the relevant provisions of the Turkish Commercial Code and to the shareholders under the conditions stipulated by law.

b. The General Assembly shall be called for a meeting by an announcement made at least three weeks prior to the meeting date, excluding the announcement and meeting days and the announcement shall be published in the Turkish Trade Registry Gazette, in at least one newspaper circulated in the location of the Bank's Head Office, and through other media as required by the applicable legislation. The announcements must include the venue, date, time, and agenda of the meeting. In addition, the announcements calling the Ordinary General Assembly to convene shall also specify that the balance sheet, profit and loss statement, financial statements, consolidated financial statements, dividend distribution proposal of the board of directors, annual report of the board of directors, and audit reports shall be made available for the inspection of the shareholders at the head office and branches of the Bank at least fifteen days prior to the meeting date.

c. The venue, date, time, and agenda of the General Assembly meeting shall be notified to the Ministry of Trade and the Banking Regulation and Supervision Agency in accordance with the relevant legislation by the office of the Bank's General Manager prior to the meeting date, together with other documents related to the meeting, if any. The provisions of the Capital Market Legislation are reserved.

ARTICLE 16

MANAGEMENT OF GENERAL ASSEMBLY MEETINGS AND MINUTES

The General Assembly meetings are managed in accordance with the provisions of the "Internal Directive on the Working Principles and Procedures of the General Assembly Meetings of QNB Bank A.Ş." prepared within the framework of the Turkish Commercial Code and other relevant legislation and the provisions of the Articles of Association.

The minutes of the General Assembly meeting are prepared in accordance with the relevant legislation and the provisions of "Internal Directive on the Working Principles and Procedures of the General Assembly Meetings of QNB Bank A.Ş."

A representative of the Ministry of Trade of the Republic of Türkiye must be present at the General Assembly meetings.

ARTICLE 30

SUBMISSION OF THE ARTICLES OF ASSOCIATION

The Articles of Association shall be printed and its copies shall be sent to the Ministry of Trade of the Republic of Türkiye, the Banking Regulation and Supervision Agency, and the Capital Markets Board.



Information on the General Assembly

DIVIDEND DISTRIBUTION PROPOSAL

Board of Directors' Proposal to General Assembly with regard to dividend distribution

The Board of Directors resolved that year 2024's profit after tax amounting to TL 36,174,340,726.01, which was calculated on the basis of the Bank's 2024 financial statements by deducting the taxes and other financial obligations, is to be allocated in part to the Real Estate Profit Fund in accordance with CIT 5-1/e with an amount of TL 27,323,804.37 and the remaining TL 36,147,016,921.64 to be transferred to general reserves, since statutory reserves have reached to 20% of paid in capital in the frame of Article 591/1 of the Turkish Commercial Code and to submit such allocation to the approval of the Ordinary General Assembly to be held on 27 March 2025.



SUMMARY OF THE BOARD'S REPORT SUBMITTED TO THE GENERAL ASSEMBLY

The Turkish economy managed to stay on a growth path in 2024, while progressing through a re-balancing process with tight monetary policy and macro-prudential measures. While the determined policies of the economic administration yielded positive results in combating inflation, the contractionary impact of declining domestic demand on imports led to a decline in the current account deficit. These developments also led to higher credit ratings by international credit rating agencies. Expecting the disinflation process to gain momentum, we anticipate that our economy will continue its steady growth trajectory with improvements in macroeconomic balances in 2025.

Due to tight monetary policy and macro-prudential measures, weakening net interest margins and rising costs pressured the funding capabilities of the Turkish banks, while a slowdown in credit demand limited the balance sheet growth and profitability in the sector. Despite challenging market conditions in 2024, our Bank continued to display a growth performance in line with its targets and create lasting value for the Turkish economy. Owing to our robust financial structure, business strategies adapting to dynamic conditions and dedication of our employees, we once again delivered outstanding results.

QNB Bank A.Ş. continued to support the Turkish economy throughout the year 2024. As of 31 December 2024, net loans increased by 52% year-on-year to TL 870 billion 388 million, while total assets increased by 53% to TL 1 trillion 511 billion 870 million in the same period. In 2024, the Bank also increased the securities portfolio by 64%, strengthening its net interest income and assets growth, while further reinforcing its already robust liquidity buffers.

In line with this growth in assets, QNB Bank sustained its deposits' growth in a balanced manner. Total customer deposits of the Bank rose by 36% compared to the year-end of 2023, reaching TL 822 billion 653 million, as shareholders' equity increased by 46% to TL 119 billion 1 million.

In 2024, the Bank's net interest income reached to TL 30 billion 299 million, while net fees and commissions income realized at TL 49 billion 642 million. Profit before tax amounted to TL 44 billion 313 million, and net profit for the period was TL 36 billion 174 million.

In 2025, QNB Bank A.Ş. shall continue to take steps with the goal of creating a better future, not focusing on short-term gains. In this journey, the support of our stakeholders shall continue to be our greatest source of strength.

QNB Bank A.Ş. Board of Directors



Statement of Responsibility Regarding the 2024 Integrated Annual Report

QNB Bank A.Ş.'s 2024 Integrated Annual Report has been prepared and presented in accordance with the principles and regulations stated in the "Regulation on the Preparation and Publication of Annual Report for Banks" as appeared in the Official Gazette on 1 November 2006, with number 226333.

Mehmet Ömer Arif Aras

Chairperson of the Board of Directors

Saleh Nofal

Member of the Board and Chairperson of the Audit Committee

Ramzi T.A. Mari

Member of the Board of Directors and the Audit Committee

Durmuş Ali Kuzu

Member of the Board of Directors and the Audit Committee

Noor Mohd J. A. Al-Naimi

Member of the Board of Directors and the Audit Committee

Osman Ömür Tan

CEO and Board Member

Adnan Menderes Yayla

Executive Vice President responsible for Financial Control and Planning (CFO)



Independent Auditor's Report on the Integrated Annual Report for the Year 2024



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of QNB Bank A.Ş.

1. Qualified Opinion

We have audited the annual report of QNB Bank A.Ş. (the "Bank") and its subsidiaries (the "Group") subject to consolidation for the period of 1 January 2023 - 31 December 2024.

In our opinion, except for the effect of the matter described in the Basis For Qualified Opinion paragraph below, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set unconsolidated and consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Qualified Opinion

As expressed in the auditor's reports dated 30 January 2025 on the Bank's and the Group's full set unconsolidated and consolidated financial statements for the 1 January - 31 December 2024 period; the unconsolidated and consolidated financial statements include a free provision classified as other provision as at 31 December 2024 amounting to TRY 4.700.000 thousand, which consists of TRY 6.800.000 thousand provided in prior years and TRY 2.100.000 thousand reversed in the current period, by the Bank and the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TRY 4.700.000 thousand, net profit and equity would have decreased by TRY 2.100.000 thousand and increased by TRY 4.700.000 thousand, respectively as at 31 December 2024.

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the scope of "Regulation on Independent Audit of Banks" published on the Official Gazette No.29314 dated 2 April 2015. Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Our Audit Opinion on the Full Set Unconsolidated and Consolidated Financial Statements

We expressed a qualified opinion in the auditor's reports dated 30 January 2025 on the Bank's and the Group's full set unconsolidated and consolidated financial statements for the 1 January 2023 - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

The Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102, Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and "Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks" published in Official Gazette No.26333 dated 1 November 2006 are as follows:



Independent Auditor's Report on the Integrated Annual Report for the Year 2024



- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report, financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.
- c) to include the matters below in the annual report:

events of particular importance that occurred after the operating year, the research and development activities of the Group, financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Banking Regulation and Supervision Agency, Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of the TCC, Communiqué and "Regulation on Independent Audit of Banks" published on the Official Gazette No.29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements of the Bank and the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM
Independent Auditor

Istanbul, 6 March 2025



Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period

QNB Türkiye Audit Committee is established pursuant to the provisions of Banking Law No. 5411 (the "Law") and the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks ("the Regulation") Internal Audit, Risk Management and Internal Control and Compliance Departments of the internal functions report to the Audit Committee. The Audit Committee Office assists the Committee in fulfilling its duties and responsibilities.

Audit Committee is authorized, on behalf of the BoD (Board of Directors), to supervise the effectiveness and adequacy of the Bank's internal systems, functioning of these systems as well as accounting and reporting systems in accordance with the Banking Law and applicable regulations, to ensure reliability and integrity of the information generated, to make necessary preliminary evaluations in selection of independent audit institutions and rating, valuation, support service institutions by the BoD. Moreover, it is responsible for regularly monitoring the activities of these institutions selected and contracted by the BoD and ensuring that internal audit activities of subsidiaries subject to consolidation as per relevant regulations of the Law are carried out in a consolidated manner and that such activities are in coordination with those of the Bank.

The Audit Committee convened sixteen times in 2024. Based on its observations and evaluations, the Audit Committee identified that the internal systems of the Bank were efficient and functioning as planned and internal controls systems were effective.

Moreover, the Audit Committee reviewed all support services procured by the Bank and followed up the engagements aimed at taking necessary measures to manage the risks associated with this process.

A summary of the activities performed by departments reporting to the Audit Committee is stated below.

Internal Audit Department

The Internal Audit Department has accomplished its mission to support the BoD to protect the Bank's assets, reputation and the sustainability of its activities throughout 2024. The objectivity and independence of the audit engagements carried out within the scope of this mission were reported to the Board of Directors under the supervision of the Audit Committee.

In 2024, engagements were performed and progress was achieved related to the areas such as execution of the annual audit plan, findings follow-up, performing the audits in accordance with international quality standards, conducting subject based special examinations, reporting to internal and external stakeholders, contributing to the notion of risk in the audited areas and identifying areas for improvement, developing application areas in the QNB International Governance Model and improving Risk and Control Awareness program.

In 2024, although the Bank continued to implement the hybrid working model, the audit plan was carried out without any delay and progress was achieved by applying data-oriented audit techniques over the data obtained from digital environment. Also, the effectiveness and efficiency of existing audit resources were increased with the use of modern audit techniques and development oriented e-trainings.

The Department maintains its activities with nine specialized units, namely "Business and Credit Audit," "Investigations and Special Assignments," "Branch Audit," "Methodology, Follow-Up and Subsidiaries Supervision," "Financial, Treasury, Risk Management and Model Audits," "Operational Audits," "Financial Crime, Compliance and Governance Audit," "IT Audits" and "IT, Subsidiaries and Support Services Audits."

Internal auditors are actively encouraged to acquire professional certifications available in their field such as CIA (Certified Internal Auditor), CISA (Certified Information Security Auditor), which is also considered as a prerequisite one of the promotion conditions. Although 25% of the personnel have a postgraduate degree, the rate of certified auditors of Internal Audit Department is 31%, which is above the target limit of 20%.

According to International Internal Audit Standards of Institute of Internal Auditors (IIA), Internal Audit Department activities should be subject to Quality Assessment Reviews once in every 5 years via an eligible and independent external organization.



Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period

As it is required by the mentioned 5-year evaluation cycle, following the Quality Assessment Reviews received in 2013 and 2018, another Quality Assessment Review was conducted in 2023 and Internal Audit Department compliance with Standards was certified by the Quality Assessment Service Department of the International Institute of Internal Auditing (IIA - USA), which resulted in the highest score as “Generally Conforms.” Assurance provided by this certificate is continuously monitored by periodic internal quality evaluations.

The status of compliance with the Annual Audit Plan is reported to the Audit Committee by the Internal Audit Department on a quarterly basis, and thus, the QNB Türkiye BoD is regularly informed about the activities of the Internal Audit Department through relevant activity reports submitted via the Audit Committee. In the engagements carried out by the department in 2024, internal control system of audited areas was assessed under the framework of the annual audit plan which was prepared considering all risk exposures of the Bank.

The internal audit reports prepared as a result of the audit engagements carried out by the department are submitted to the Senior Management, Audit Committee and BoD. Actions taken to remediate the identified findings are followed up and regularly reported by the department throughout the year.

The annual activities of the Internal Audit Department are planned by taking into account the risk assessment engagements and the last audit date of the auditable areas and the relevant audits are carried out at the frequency specified in the legislation. Audit activities consist of Head Office units, branches, subsidiaries and information technologies processes audits. In addition to planned and unplanned audit engagements, 2024 activities covered incident-based investigations and special examinations, participation in various projects and consultancy services.

In 2024, risk assessments of group affiliates and subsidiaries were considered and the audits which should be carried out by the Internal Audit Department were determined and performed accordingly. In addition to engagements performed in coordination with the internal audit units of related companies, internal audit and control units of said companies conducted audits as well and the results were monitored instantly by QNB Türkiye Internal Audit Department via quarterly activity reports and Governance, Risk and Control software system named RSA Archer. In addition, attention was paid to maintain that the audit methodology of subsidiaries is in line with the audit methodology of QNB Türkiye Internal Audit Department.

In this context, the processes adopted by the internal audit functions of the subsidiaries are regularly monitored to ensure sufficient compliance with the QNB Group Internal Audit Methodology and legislation provisions.

In Information Technologies area, risks, current cyber threats targeting financial institutions and the control environment over criteria such as confidentiality, integrity and accessibility of information are examined and evaluated by the Information Technologies Audit division and assurance was given regarding adequacy of the control environment. In addition to IT audit engagements, the division also monitors closely the effectiveness, adequacy and independence of internal audit control activities regarding information technologies and provides necessary support to the units when necessary. External service companies, which provide information technologies services, are also audited.

Internal Audit Department utilizes computer-assisted audit technologies and with the use of these techniques, various analytical queries can be run within the context of audit activities and if needed specific data or samples can be prepared for special use.

In order to meet the aforementioned legal requirements, Financial Crimes Compliance Audit is annually planned and conducted. As it is annually required to evaluate the effectiveness, adequacy and compatibility of the internal controls of information systems and banking processes, Management Statement Audit is annually planned and conducted.



In Internal Audit Department, the governance program called RSA Archer is used effectively for entry of audit records, tracking findings and actions and for various reporting purposes. System is similarly used by subsidiary audit and internal control teams in order to ensure methodological integration. In branch audits, a web-based audit application named FAST, which was developed by the Bank, is in use. Through the application, branch audit team members can create audit records, upload work papers, enter findings and track their current statuses via online and secure web connection and they can extract audit reports automatically from the system.

Following the activities completed in 2024, Internal Audit Department accomplished its goals by providing independent and objective assurance and consultancy services as in previous years and contributed to the regular, systematic and disciplined evaluation and improvement of effectiveness of corporate governance, risk management and internal control environment in order to improve and add value to the Bank's activities.

Internal Control and Compliance Department

Reporting to the Board of Directors via Audit Committee, Internal Control and Compliance Department performs control activities to minimize the Bank's exposure to operational, regulatory and financial risks with sufficient resources both in quality and quantity.

A- Internal Control Division

Internal control system of the Bank is designed and constructed in a way that assets of the Bank are safeguarded, daily transactions are handled in compliance with the rules, laws and regulations and the financial reporting systems are reliable, accurate and timely achievable.

As an important part of the internal control system, Internal Control Division is responsible for carrying out control activities among all branches, subsidiaries and head office units of the Bank. Remote and on-site control methods are used while performing second level controls.

Controllers are encouraged to acquire professional certifications from local and international institutions available in their field, which is a prerequisite for promotion.

Periodic activity reports that are prepared as a result of the control engagements carried out by the Division and contain annual control plan progress status are submitted to Audit Committee quarterly. Besides, findings and related actions are monitored continuously throughout the year and the results are reported to the Bank's Senior Management and Audit Committee quarterly.

There are three units within Internal Control Division and responsibilities of these units are as follows:

Branch & Subsidiary Controls Unit:

All branches are visited at least once a year and on-site controls are conducted by selecting recent samples from a pre-defined checklist. Findings are consolidated and communicated to internal systems and business unit manager monthly and quarterly. Moreover, findings are uploaded monthly to Branch Finding Follow-Up Module and are followed up by assigning a completion task to branches. In addition to branch controls, specifically defined controls are performed at OSDEMs (Operation Field Support Centers), which constitute a significant part of operational processes in branches. Additionally, the unit conducts remote controls regarding some specific products and services among other branch activities. Besides, compliance controls required by the CGF (Credit Guarantee Fund) from banks are periodically performed twice a year. As in branch controls, all financial subsidiaries of the Bank are visited and controlled throughout the year according to the checklist prepared in collaboration with subsidiary management. Moreover, every quarter, action plans listed in periodic evaluation reports of external service companies are followed-up and the results are reported to Audit Committee Office.

Head Office Controls Unit:

Teams of controllers who are specialized in different areas of banking undertake the Head Office control points prepared with business units considering compliance, operational and financial risks. Within this context, second level controls are mainly performed in areas such as accounting, financial control, loans, deposits, banking operations, treasury, cash management and credit card activities. In addition, within the scope of central monitoring activities, the data obtained from the system is analyzed and presence of exceptional cases is monitored on a daily, weekly and monthly basis for certain issues.

As a result of the above-mentioned risk-based control activities, recommendations are made to increase the effectiveness and efficiency of the Bank's internal control environment and the necessary actions are taken.

Information Technologies and Management Statement Controls Unit:

With respect to Information Technologies (IT); controls are carried out to comply with Regulation on Banks' Information Systems and Electronic Banking Services and especially, logical access rights to systems, audit logs, information security processes and physical access rights to data center locations are reviewed, effectiveness of software development process is evaluated, and controls on data and system security and infrastructure are tested. Moreover, compliance to Risk Center guidelines of best practice is tested. Moreover, many periodic reviews are performed regarding IT general controls.



Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period

Apart from these, to form the basis of the Management Statement, pursuant to the Regulation on Information Systems and Business Processes Independent Audit, year-round reviews and monitoring engagements are carried out similar to the independent audit methodology in relation to banking and IT processes covered by the relevant legislation. The results are submitted to independent auditor after the report is approved and signed by the Board of Directors.

The unit also carries out ICOFR (Internal Controls Over Financial Reporting) engagements to be submitted to the independent audit firm of QNB Qatar on relevance and operability of the controls on business processes and information systems within the scope of the regulations of the Qatar Central Bank, which is the legal authority to which QNB Qatar is subject.

RSA Archer software, which is a joint platform for Internal Systems departments, is used for report entries and follow-up activities regarding the controls by Internal Control Division.

B- Compliance Division

Compliance Division determines and manages the risks related to financial losses as a result of non-compliance with laws, regulations, Bank's processes and instructions.

Compliance Division closely follows regulatory changes and ensures that the Bank's practices are updated accordingly by providing guidance and making announcements regarding such regulatory changes. Compliance Division responds to the questions posed by branches and Head Office units related to regulatory issues and plays an active role by providing opinions and recommendations in the process of developing the banking products to be offered to customers. Compliance Division also provides guidance to financial subsidiaries of the Bank regarding their own regulatory compliance engagements. Furthermore, it consults with regulatory and supervisory bodies. Activities of the Division are quarterly reported to Audit Committee and monthly and quarterly to main shareholder.

During the resolution process of the BoD to deploy new products and services, opinions and evaluations of Compliance Division are required in terms of compliance with the legislation. The activities of Compliance Division in 2024 were performed within this broad area of responsibility.

Compliance activities are carried out through the three units listed below:

Banking Regulations Unit:

The unit issues circulars and announcements on new regulations and laws concerning the banking sector. It approves nonstandard text of letters of guarantees, counter guarantees, standby letters of commitment and reference letters. The unit provides written and verbal consultancy to branches and the Head Office. Manager of the unit represents QNB Türkiye as a member of the Foreign Exchange Regulations Working Group, established by the Banks Association of Türkiye in order to analyze and provide solutions to any kind of sectoral problems related to foreign trade regulations. In addition, Manager of the unit is a member of the ICC (International Chamber of Commerce) Guarantees Task Force, which works on guarantees in an international sense.

Regulatory Compliance Unit:

The unit reviews new products and campaigns, adverts and advertising materials on credit card, bank card, personal and commercial loan products and overdraft accounts, cash management products, digital transformation projects launched by related units of the Bank and evaluates all marketing and sales texts, questions, processes and other information requests on these products in accordance with related regulations in effect and grant approval. Customer complaints on these topics received through regulatory authorities, auditor reports and response letters prepared within this scope are reviewed and if necessary, related units are advised to take appropriate actions to remediate relevant practices or flows. In addition, the unit provides mentorship to QNBeyond by evaluating compliance of projects and works in coordination with related units during establishment processes.



Capital Markets and Investment Products Compliance Unit:

The unit reviews and approves new products and campaigns, adverts and advertising materials on capital market instruments, investment, deposit and insurance products launched by related departments of the Bank and related matters in accordance with applicable regulations. The unit is also responsible for supply chain compliance and harmonization of policy/procedure related engagements. Customer complaints on these topics received through regulatory authorities, response letters and response texts prepared within this scope are reviewed and if necessary, related units are advised to take appropriate actions to remediate relevant practices or flows. This unit also makes announcements to the Bank's relevant units and financial subsidiaries about regulatory issues that fall under its job description including capital markets legislation, follows up penalties on topics that are in unit's responsibility fined to the Bank and its subsidiaries, coordinates reports made to the Audit Committee and main shareholder and performs control activities within the scope of Capital Markets regulations with regards to insider trading and market manipulation. The unit gives opinion on whether the services procured by the Bank are "support services" and/or "external services." Lastly, Unit evaluates data sharing issues with Legal Affairs and Data Protection and Management Division within the scope of Regulation on Disclosure of Confidential Information and ensures necessary actions are being taken.

C- Financial Crime Compliance Division (FCC)

FCC Division ensures compliance with local and international laws, regulations and standards within the scope of anti-money laundering, combating the financing of terrorism and preventing the financing of proliferation of weapons of mass destruction under the supervision, control and responsibility of the Board of Directors. In order to prevent financial crimes and Sanctions risks that the Bank may face, and detect and prevent Fraud, it carries out effective control activities in accordance with the relevant legislation and regulations with a risk based approach within the framework of the Bank policies, established in accordance with relevant legislation and regulations. Activities of the Division is reported to Audit Committee on a regular basis.

The Division provides the necessary engagements and coordination to ensure the execution of the compliance program at the QNB Türkiye financial group level.

Division activities are carried out by five units as stated below:

Anti-Money Laundering & Combating Financing of Terrorism (AML/CFT) Unit:

AML/CFT Unit is responsible for following up local and international legislation regarding anti-money laundering, combating the financing of terrorism and preventing the financing of proliferation of weapons of mass destruction, it is also responsible for establishing and maintaining up-to-date policies and procedures at the Bank and Financial Group level, informing personnel to enhance their awareness, and conducting training activities.

Suspicious Transactions Monitoring & Analytics Unit:

The unit is responsible for monitoring and control activities, conducting analytical engagements in order to detect, evaluate and follow up suspicious transactions, ensuring the effectiveness of the related systems and reporting suspicious transactions to MASAK (the Financial Crimes Investigation Board).

Sanctions and Customer Evaluation Unit:

This unit is responsible for executing the necessary engagements to evaluate, reduce, prevent, and control financial crimes and sanction risks. It takes additional measures for high-risk groups, ensures compliance with international sanctions, and conducts appropriate checks within this scope while evaluating customer acceptances.

Fraud Control Unit:

The main responsibilities of the unit are conducting process evaluation engagements related to the activities of Bank units and carrying out scenario reviews and assessments to detect internal fraud within the framework of the fraud policy established to manage and reduce fraud risk, reporting the findings identified within this scope to the Bank's senior management and QNB Group, providing training to the personnel and ensuring that fraud awareness is increased.

Fraud Examination Unit:

This unit is responsible for carrying out fraud examinations within the Bank, implementing measures to mitigate damages caused by fraud incidents, evaluating all types of requests, complaints, and notifications from other Bank departments, assessing fraud risk in bank workflows and processes, and providing recommendations for potential improvements and risk elements. Moreover, the unit manages the Whistle Blowing Line and evaluates and examines the submitted notifications.

D- Data Protection and Management Division

In the current reporting period, "Data Breach Control" unit was established under the division operating as the Data Protection and Management Division and continues its operations under the same division. The Division's activities are reported quarterly to Audit Committee and the main shareholder and monthly to the main shareholder.



Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period

Data Protection Unit:

Data Protection Unit is responsible for ensuring that all activities and processes of the Bank comply with the legislation, primarily in accordance with the Law No.6698 on Protection of Personal Data, the decisions given and guides prepared by the Personal Data Protection Authority, and secondary regulations such as regulations and circulars published by official bodies in this field. Requests/complaints sent to the Bank by official institutions and customers are reviewed and answered within the framework of the rules determined by the legislation after detailed examination. In addition, the personal data inventory created with the participation of business units within the Bank is kept up to date in line with the processes and the necessary technical and administrative measures are followed. Within the scope of obligations included in the law, explicit consent and information texts are prepared and their adaptation to the processes is ensured, requests for opinion sent to the unit by business units regarding the protection of personal data are answered, periodic data destruction activities are carried out every 6 months as required by the legislation, and regular inspections are carried out to prevent data breaches. With the new planning, the decisions taken by the Information Sharing Committee regarding the processes in which data is transferred from the Bank within the scope of the "Regulation on Disclosure of Confidential Information" are kept in a consolidated inventory by discussing with the business units. Pursuant to the Bank's obligations, relevant consolidated inventory is reported to BRSA once every six months.

Data Management Unit:

A systematic inventory mapping project is being carried out by Data Management Unit, by monitoring both the personal data inventory and the inventory of confidential information under a shared system. The project to create a business terminology dictionary aims to strengthen communication between business units and technical teams and to use data effectively by creating a common language in the Bank. In the relevant process, it is planned to document and keep in the system basic points such as the definition of data, its source, owner and perspective on data, based on the data dictionary in the Bank. The engagement carried out on the preparation of data sharing channels inventory (FTP, web service) aims to initiate communication between IT business units and Information Sharing Committee and to make healthier decisions. Finally, in the "Structured and Non-structured Data Discovery" project, it is planned to identify sensitive and special data from the structured data in the Bank's data inventory and to provide guidance to the relevant teams to take the necessary actions.

Data Breach Control Unit:

Data Breach Control Unit carries out investigations into possible breaches of both personal data and confidential information. Complaints and notices regarding data breaches are evaluated and a report is prepared in order to take the necessary actions by examining them. Data breach incidents identified by the investigation are shared with Internal Audit Department and Data Protection Unit. In addition, if any extraordinary volumes or movements are detected in customer accounts as a result of the investigation, they are forwarded to Anti-Money Laundering Team for evaluation. Following the evaluation made through the DLP (Data Leakage Prevention) system, the transactions directed by the Information Security team are examined and reports are prepared when necessary. Based on these reviews, necessary actions are taken according to the content and nature of the sharing regarding the actions of the personnel who made the sharing and a warning message is shared. As a result of the examinations, the necessary arrangements to be made in the processes are determined and development engagements are carried out together with the relevant units.

Risk Management

Risk Management is responsible for monitoring and managing all potential risks for the Bank in a centralized and efficiently coordinated manner. The primary goal of Risk Management is to provide appropriate capital allocation (economic capital) to business lines for risks they are exposed to and increase added value by maximizing risk adjusted return on capital.

Bank risk profile and its coherence with risk appetite are reported to the Board of Directors Risk Committee on monthly basis including risk strategy. The Committee consists of minimum three Board members and Chairman of the Board leads the Committee.

Organizational Structure

Risk management governance in QNB Türkiye starts with the Board of Directors. The Board's Risk Committee, Asset-Liability Committee (ALCO), Corporate and Retail Management Risk Committees (CPC), Operational Risk Management Committee (ORMC), Reputational Risk Management Committee (RRMC), Data Security Committee and Risk Management Department are important bodies of the risk management structure of QNB Türkiye.



The Board of Directors is responsible for determining general risk policy and risk appetite of the Bank. Risk Committee defines risk policies and strategies, reviews all types of risks the Bank is exposed to in its monthly meetings, monitors implementation of risk management strategies and brings important risk issues to the attention of the Board. The ALCO, held monthly, monitors and manages the structural asset liability mismatch of the Bank. It also monitors and controls liquidity risk and foreign currency exchange risk.

Credit Management Risk Committee convenes monthly and is responsible for monitoring and evaluating the Bank's lending portfolio and determining principles and policies related to credit risk management processes, such as loan approval, limit setting, rating, monitoring and NPL management. The ORMC, held quarterly, reviews the operational risk issues of the Bank and defines the necessary actions to be taken to minimize those risks. Reputational Risk Management Committee (RRMC) is established in order to define, evaluate and monitor the reputational risk faced by QNB Türkiye and to ensure that required actions are taken for prevention of such risks.

QNB Türkiye Risk Management Department works independently from executive management and reports to the Board of Directors through Audit Committee. Market Risk, Credit Risk Management, and Operational Risk Management Units are responsible for identification, monitoring and managing of all related risks. Model Validation Unit is responsible for validation of risk measurement and credit rating/scoring models as well as performance assessment.

Information Security, Governance and Operations Unit continues its activities under the Risk Management Department as of 13.09.2024, in order to handle Information Systems risks within the framework of corporate risk management with a holistic perspective and to continue to increase the work and synergy with information technology units. Information Security, Governance and Operations Unit is responsible for the effectiveness of information security and governance processes and for analyzing and managing information and system security risks.

A- Market Risk Management

Market Risk arises due to positions in the trading accounts, including all derivatives except for trading securities, open currency position and transactions done for hedging purposes, taken by the Bank with the intention of benefiting in the short term from actual and/or expected differences between their buying and selling prices or interest rate variations.

Market risk stems from the uncertainty concerning changes in market prices and rates (including interest rates, equity and bond prices and foreign exchange rates), and their levels of volatility. QNB Türkiye seeks to identify, estimate, monitor and manage these risks effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of QNB Türkiye's transactions.

Value at Risk (VaR), nominal position, interest rate sensitivity and option price sensitivity limits were identified in order to effectively manage market risk and keep the risk profile at levels appropriate for the risk appetite. In addition to these limits, the Bank defines early warning levels for certain limit types, to allow a process of review, analysis, and consultation in order to take preventive actions, prevent limit breaches and minimize possible losses. The limits are monitored on a daily basis by Risk Management Department. VaR results are supported by regular stress testing and scenario analyses.

Pursuant to the Regulation on Measurement and Assessment of Capital Adequacy of Banks published by BRSA, general market risk and specific risk are calculated and reported monthly using the standardized method for capital adequacy calculation. Parallel to best practices, VaR is measured daily. VaR, which is a measure of the maximum potential loss on the trading accounts, is calculated using the historical simulation method with a 99% confidence level and one-day holding period.

While the VaR approach provides a forecast for possible losses within the last one-year market conditions, it cannot predict contingent losses under extreme conditions. Hence, the VaR approach is complemented by stress testing in order to incorporate possible extreme market movements. In stress test analysis, valuation of positions is carried out by taking into account the price movements of interest rates, exchange rates and stock prices during crisis periods or by generating shock financial values.

QNB Türkiye uses back-testing to verify the predictive power of value at risk calculations. In back testing, theoretical gains/losses calculated by VAR on positions at closure of each business day is compared with the actual gains/losses arising on these positions on the next business day. The assumption of the VaR model is reviewed and revised, if such a need occurs as a result of the back-testing procedure.

B- Structural Interest Rate Risk Management

QNB Türkiye is exposed to structural interest rate risk resulting from differences in timing of rate changes and timing of cash flows that occur in the pricing and maturity of a bank's assets and liabilities. The Bank defined Policy on Banking Books Interest Rate Risk Management. According to the policy, interest rate risk is calculated for the banking book, which includes all portfolios except the trading accounts.

Even though the Bank is exposed to structural interest rate risk on its balance sheet due to the nature of its existing activities, the policy ensures that all positions are monitored effectively and the risk stays within predefined limits.

The Asset-Liability Committee (ALCO) aims to protect the economic value of equity while sustaining a stable earnings profile.



Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period

Interest rate sensitivity measures, calculated by discounting the future cash flows of all products in banking accounts, are used to manage interest rate risk through duration and gap analyses. In addition, the impact of changes in interest rates on net interest income is used in interest rate risk management.

QNB Türkiye utilizes scenario analysis in order to evaluate the impact of interest rate change on net economic value. Standard interest shocks are determined in accordance with the Basel regulation. Moreover, various historical crisis financial turmoil scenarios including reverse stress test, are simulated in order to measure the Bank's sustainability against severe interest rate shocks.

C- Liquidity Risk Management

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the Bank's inability to meet its liabilities -because of its balance sheet structure or market movements- when they are due. The Bank manages its liquidity position on the basis that cash and available debt resources do not fall below a predetermined level of total deposits. In addition to early warning indicators, survival horizon under different stress levels and actions planned under liquidity crises are defined in the Bank's "Liquidity Contingency Plan." In parallel with these stress levels, Bank life expectancy is calculated and monitored through stress tests.

Short-term liquidity coverage ratio and net stable funding ratios, which are used to measure long-term liquidity, are calculated with respect to Basel III and BRSA. Liquidity coverage ratio and net stable funding ratio are monitored on a daily and monthly basis, respectively.

As part of Liquidity Risk Management, the Internal Liquidity Adequacy Assessment Process (ILAAP) is prepared annually in compliance with BRSA regulations as of year-end. Within this scope, analyses and evaluations regarding liquidity adequacy planning are conducted. Under the ILAAP framework, the Bank's Liquidity Contingency Plan is designed to outline funding activities and operational actions required during financial market crises or specific liquidity crises affecting the Bank.

D- Credit Risk Management

Credit risk is defined as the current or prospective risk to earnings and capital arising from an obligor's failure to meet the terms of any contract with the institution or otherwise fail to perform as agreed. The aim of credit risk management is to maximize the Bank's risk adjusted rate of return by maintaining the credit risk exposure within acceptable limits defined by the risk strategy document.

Credit Risk Management is embedded into the end-to-end credit processes of the Bank. While Credit Allocation units are responsible for first level management of credit risk., the Board of Directors controls the complete lending process by approving the lending criteria, credit risk policies and delegating authorities depending on the type of the product through Credit Policy Committees.

The responsibility of Credit Risk Management Unit is establishment of effective and efficient internal policy, procedure and methodologies for definition, quantification, measurement, control and reporting of the credit risks. This responsibility includes independent and objective assessment of credit risk and monitoring the portfolio credit risk level through the metrics set out in the risk strategy to ensure that it remains within the limits consistent with the risk appetite defined by the BoD.

The Credit Risk Management Unit also carries out credit risk reporting in line with the needs and expectations of the Bank and legal authorities. In addition, international best practices are followed and an effective credit risk management approach is adopted within the framework of Basel principles.

The credit risk level of the portfolios and the risk-adjusted performance of the loan portfolios are monitored monthly by the BoD Risk Committee. In addition, the reports generated as a result of the work of the Credit Risk Management Unit include regular credit risk reporting, portfolio analysis and monitoring activities. In the event that a mismatch is observed between the level of assumed credit risk and the credit risk policies approved by the Bank's Board of Directors or the Bank's risk-taking capacity, necessary measures are immediately taken to align the credit quality of the portfolio with the Bank's defined risk appetite.



The Credit Risk Management Unit is also responsible for the capital management process, which includes compliance with regulatory capital requirements and establishment of the Bank's policies, processes, methods and systems relating to Internal Capital Adequacy Assessment Process (ICAAP). This process involves calculation, projection and analysis of legal and economic capital requirements necessitated by yearly and long-term business plans of the Bank, as well as stress tests and scenario analyses. Moreover, as a systemically important bank, the Bank carries out the engagements related to the Recovery Plan and the purpose of this plan is to determine in advance the measures to be taken in case any of the situations that may cause disruption in the Bank's financial structure due to non-compliance with the protective provisions of the Law and the regulations issued pursuant to the Law or any other reason emerges or may emerge. Quarterly stress tests on the capital adequacy ratio are also conducted and reported for various scenarios.

The Bank has traditionally put great emphasis on the strength of its capital base to maintain investor, creditor and market confidence and to sustain future business development. From this perspective, ICAAP is designed to ensure that the Bank has sufficient capital resources to meet the regulatory capital requirements and that it has available capital in line with its own risk appetite and internal guidelines.

In addition, the unit develops credit risk parameter estimation models to be used for Expected Credit Loss calculations within the scope of IFRS 9, calculates and reports the provisions to be allocated for Expected Credit Loss. Within the scope of Environmental and Social risks, efforts are being made to measure climate risks and quantify them through stress test approaches.

The reports generated by the Credit Risk Management Unit are shared with the Board of Directors, Risk Management Committee and Audit Committee on a monthly, quarterly and annual basis.

E- Operational Risk and Business Continuity Management

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The Operational Risk and Business Continuity Management Unit is responsible for identifying, measuring, monitoring and managing all risks under the scope of operational risk as well as Business Continuity Management.

Activity process based operational risks are identified through Risk Control Self-Assessment and classified by cause, event and effect categories as proposed by Basel II and actions are taken for severe risks. The risk inventory for information systems risks is also evaluated and reported integrated with the Enterprise Risk Management approach. Operational loss data collection process, which began in 2005, continues. While loss data is accumulated to provide meaningful statistical data, business processes, where improvements are required, are defined based on the results and all necessary actions for improvement are taken.

Structured scenario analyzes are carried out to identify possible operational risk events and evaluate the possible consequences of these events. Scenarios are reviewed on an annual basis and revised to include new risks and loss amounts predicted for the following year. Scenario analysis results constitute input to the Bank's consolidated stress test processes.

Key Risk Indicators are defined and monitored regularly for severe risks. In addition, operational risk capital is calculated annually according to the Basic Indicator Approach and shared with BRSA. Risk assessments are made regarding support services and external services and the assessments are reported to the relevant committees. A robust operational risk management process and methodology is implemented.

The Bank has also prepared and implemented a Business Continuity Management Plan, in order to minimize losses due to business disruption. In addition, the Bank performs the comprehensive annual test of Disaster Recovery Center with participation of business units and IT Department.

The reports produced by the Operational Risk and Business Continuity Management as a result of these studies are shared with the Board of Directors, Risk Management Committee and Audit Committee on a monthly, quarterly and annual basis, while reporting is also made to the Assistant General Managers and the Operational Risk Management Committee according to their interests and responsibilities.



Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period

F- Model Validation

QNB Türkiye's Model Validation Unit is responsible for validation of the risk models before they are implemented on the Bank's scale. The validity of the models regarding credit risk, market risk, IFRS 9 and ICAAP are assessed by the Model Validation Unit through qualitative and quantitative tests in terms of data quality, methodology, performance, and the compatibility with legal requirements and best practices.

Once the above-mentioned models are implemented, their performances under changing macroeconomic conditions, Bank's portfolio and risk appetite are monitored and reported on an ongoing basis via performance and stability tests.

G- Information Security, Governance and Operations

Information Security

IBT SOC Unit:

IBT SOC is responsible for the detection and analysis of cyber-attacks that occur on a 24/7 basis. Actions are implemented for the remaining attacks after the false-positives are eliminated during the examination. The actions taken result in the implementation of configurational modifications or corrections on security products to prevent the recurrence of these attacks, or the relevant entities perform these operations. In the event that the alarm investigation determines that the event is a severe security incident, the initial coordination is carried out to mobilize the appropriate parties in accordance with the incident response procedures. It performs the initial assessment of malicious software and escalates it to the subsequent level as required. The unit analyzes intelligence data and conveys it to other divisions for appropriate action when required. It prepares weekly CISO reports. Additionally, it offers SOC services to internal and external subsidiaries.

IBT TVM/Offsec Unit:

The applications purchased/developed by the Bank are examined and tested by the IBT TVM/Offsec Unit from a hacker/attacker perspective prior to their introduction into the production environment. The unit identifies their vulnerabilities and reports them to software developers and analysts. The transition to the live environment is approved after the relevant entities have corrected these vulnerabilities and verified that they comply with the accepted security standards.

It takes on the responsibility of coordinating the BRSA's annual penetration tests.

Moreover, it conducts security tests under the name of RedTeam without prior notification to identify the vulnerabilities of the Bank's security infrastructure. Subsequently, the relevant entities address the vulnerabilities that were identified during these tests.

The unit also conducts malware investigation engagements that are escalated by the IBT SOC unit when necessary.

IBT SIMM Unit:

IBT SIMM is responsible for the management of all security products, with the exception of infrastructure security. Log management, vulnerability management, data leakage, data discovery, behavior analysis, security of big data, intelligence products, and fraud test products are among the items. The unit assumes responsibility for all aspects of these products, such as infrastructure management, product updates, configurational adjustments, and procuring.

This unit configures the products utilized by the IBT SOC unit to detect cyber-attacks, updating existing SOC alarms and generating new alarms as necessary. This unit also fulfills all security-related requests submitted by internal and external auditors throughout the year. In addition, this unit develops social engineering assessments to evaluate personnel security awareness.

It guarantees that the products and services mentioned above are also made available to internal and external subsidiaries.



IBT Information Security Unit:

The IBT Information Security unit is responsible for determining the security requirements of the projects established within the Bank throughout their life cycle, from inception to completion and ensuring that they are met prior to the project's realization. It assists in guaranteeing that these requirements are both reasonable and practicable in order to satisfy regulatory and security requirements.

It executes security awareness initiatives and ensures that all personnel have completed the corresponding training sessions. It ensures that high-level policies, procedures, and standards are periodically updated. The unit also contributes to risk assessments in support/ external service procurement and conducts security assessments of third parties with whom the Bank collaborates.

Security, Provision, Fraud

Monitoring and Provision Management Unit:

Transactions that are incorporated into security scenarios through card, merchant and digital channels are monitored on a 24/7 basis. The unit also addresses provision and provision cancellation requests. It finalizes peregrine records that are examined from the provision subheading. Responses are provided to inquiries received from other units or institutions through various channels, including email, fax, telephone, and portal.

Post-deployment testing operations are conducted continuously and any arising issues are promptly communicated to the relevant parties and units. The query numbers of the Risk Center and other institutional data (KPS-APS-KKB) are periodically analyzed on a user and unit basis. Any discrepancies in the numbers are identified, the underlying causes are investigated and the findings are communicated to the relevant individuals and units.

In order to detect critical/confidential information breaches of the Bank that may occur through various channels, DLP monitoring activities are conducted by the unit using Websense DLP (Data Leakage Prevention) and the results of these activities are reported.

Channel Security Management Unit:

The Channel Security Management unit monitors fraudulent money transfers sent or received from QNB and Enpara accounts or cards to the Bank or other bank accounts or cards using digital channels and implements the necessary precautions. Investigation is initiated on suspicious transactions and precautionary measures are implemented to prevent the transactions from escalating into fraud. Security Fraud Management Analysis unit is involved in the guidance of activities to design precautionary scenarios and actions by analyzing the fraud cases that occur through digital channels.

The necessary information and documents are provided to support correspondence regarding official institution requests regarding fraud that were occurred on digital channels. Fraud incidents are reported both internally and externally within the context of digital channels.

Card Security Management Unit:

Card Security Management Unit is responsible for the analysis of potential fraud incidents involving credit and debit cards, the implementation of appropriate measures and the reporting of such incidents. In addition, the unit is responsible for contacting other banks and official institutions in order to facilitate the necessary systematic reviews and security arrangements.

Security Fraud Management Analysis unit is involved in the guidance of activities to design precautionary scenarios and actions by analyzing the fraud cases that occur with credit and debit cards. In order to mitigate the risk of abuse and fraud associated with credit cards and debit cards, necessary actions are implemented by adhering to trends. Moreover, analyses are conducted to establish control points for various scenarios that are deemed to be risky.

Merchant Security and Risk Management Unit:

Merchants Security and Risk Management unit conducts research to prevent the Bank's losses from the MERCHANT/POS and guarantees coordination with Business Units and Branches to ensure that necessary actions are taken. The unit assesses application requests with BL records, WebPOS, Mail order, and LinkPOS within the context of the Bank's risk policies and offers opinions.

It also implements essential measures by establishing blacklist controls for merchants and assisting other financial institutions in implementing precautionary measures by disclosing the fraudulent activities of the Bank's merchants to other financial institutions as per the specified rules.

In addition, the unit implements the requisite measures to prevent fraudulent transactions that have occurred or may occur at the Bank's merchants by consistently adhering to the fraud notifications published online by Mastercard, Visa, and ICC. Merchant Security and Risk Management unit reports the results to Visa / Mastercard by providing the necessary notifications and directives to the merchants to ensure that POS Member Merchants are audited in accordance with the specified criteria, thereby ensuring data security within the scope of the PCI DSS program.

Security Fraud Management Analysis Unit:

The Security Fraud Management Analysis Unit encodes the rule contents transmitted by the Card, Merchant, and Channels security teams on SAS Fraud Management. This information is then utilized by the security team to identify fraudulent transactions. Moreover, the unit adheres to the process of monitoring, testing, and adding new records to the Fraud system in order to introduce new products through digital channels or card payment systems.

It monitors the process in the event of systemic disruptions and develops the requisite designs and queries to satisfy the security teams' supplementary reporting requirements.



Evaluations of the Audit Committee on the Activities of Internal Audit, Internal Control, Compliance and Risk Management Systems and Information about their Activities in the Accounting Period

IT Process Quality and Risk Management

IT Governance and Risk Unit:

The IT Governance and Risk unit is responsible for the management of IT processes, including the determination, design, definition, documentation, and publication of workflows. It also establishes and determines process/systemic controls in accordance with the requirements to guarantee that the process is in compliance with the legislation and Information Systems and Cyber Security Risk Management engagements, the identification, analysis, evaluation, reporting, and management of risks as well as the determination and follow-up of risk actions are performed by this unit.

The unit conducts IS Risk Management engagements, reporting, follow-up, Information Systems Continuity Management Engagements, planning, realization, and reporting of DRC Tests and Quality Assurance Studies within the scope of External / Support Services.

Furthermore, it is responsible for the following: The execution of IT governance and compliance engagements, the follow-up and reporting of IT audit findings, the coordination and support of independent audit engagements and IT audit requests and the management and reporting of information security and process metrics.

Information Systems Control Unit:

Information Systems Control Unit is responsible for the following IS control activities and the definition and updating of the Information Systems Controls in accordance with the BRSA Legislation and Regulations on Information Systems, ISO27001, and CB Digital Transformation Office Information Security Guidelines. Furthermore, it establishes a connection between IS controls and IS Risks and records IS controls in processes with process proprietors.

It is responsible for guaranteeing that the control environment is adjusted in accordance with evolving legislation, regulations, processes, infrastructures, project, and business requirements, as well as revising control definitions, annually. It establishes Level 1 IS Control Plan, annually. The responsibilities also include conducting engagements and effectiveness tests to assess the efficacy of level 1 IS Controls, documenting the results and evidence and reporting and following up on any detected nonconformities in accordance with the plan.

Furthermore, it guarantees the initiation of research to enhance and develop the essential system, infrastructure, and tools/equipment required for the actions to be taken, the regular periodic follow-up and reporting of action plans and the development of the requisite systematic dashboards and reports to monitor the execution of the IS Control Process.

Governance Applications Unit:

Governance Applications unit is responsible for the development, administration, and operation of Applications in IDM SailPoint and PAM Solutions, RSA Archer GRC Application, and Cyberark PSM, AAM and Vault Solutions.

Access Management Unit:

Access Management Unit is responsible for the management of User and Access for all Bank, subsidiaries, and IT.

User Definition/Change/Cancellation Operations, User Authorization Operations, IT SOD Determination, Review, Control and Approvals, User Support Operations, User Authorization Review Engagements, Key Operations, User Access Security Management, Taking over Identity and Access Management processes in New Applications, Access Management Metrics and Reporting activities are all performed by the unit in this context.

Audit Committee Office

Established in 2011, Audit Committee Office provides the services required for effective operation of the Committee. The Office is responsible for reviewing and presenting to the Committee members reports concerning the Committee, monitoring Committee meetings, archiving all documents regarding the engagements carried out, coordination and follow-up of the support service and external service activities, obtaining resource adequacy and independence statements from Independent Audit and Valuation companies and independence statements from the Bank's senior management regarding these companies, following up the implementation of the Committee decisions, reporting the Committee's activities to the BoD and performing other duties assigned by the Committee.



Transactions Carried Out with QNB Bank A.Ş.'s Risk Group

Regardless of the nature of transactions, relations with companies in the risk group of and controlled by the Bank, are conducted in the scope of a bank-client relationship and in compliance with the Banking Law and prevailing market conditions. The type, amount and ratio of transactions to total transactions as well as the structure, amount and rate of main items, pricing policy and other terms in the transactions with the risk group companies are set on an arms-length basis and based on prevailing market conditions. As of 31 December 2024, cash loans granted to risk group composed 1.4% of the Bank's total loans, deposits obtained from risk group composed 0.6% of the Bank's total deposits.

Transactions involving the purchase and sale of real estate and other assets and services, agency contracts, leasing contracts, transfer of data obtained from research and development activities, license contracts, financing (including loans and cash or in-kind capital contributions), guarantees and collaterals, management contracts, and the like). The Bank has entered into a contract with IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. for research, development, and consultancy services. The Bank receives cash transfer services from its 33.3% subsidiary Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.



Information on Support Service Groups and the Companies Providing Support Services

Support services were procured in 2024 within the scope of the Regulation on Banks' Procurement of Support Services under the following service groups.

Service Groups	Support Service Providers
IT Services	<ul style="list-style-type: none">Acerpro Bilişim Teknolojileri A.Ş.Atos Bilişim ve Danışmanlık A.Ş. (sub-contractor of Atos Müşteri Hizmetleri A.Ş.)Bilişim Bilgisayar Hizmetleri A.Ş. (Banksoft)CyberWise Siber Güvenlik Ticaret A.Ş.DGPays Bilişim Hizmetleri A.Ş.QNB eSolutions Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.Etcbase Yazılım ve Bilişim Teknolojileri A.Ş.IBTech Uluslararası Bilişim ve İletişim Tekn. Ar-Ge Danışmanlık Destek San. ve Tic. A.Ş.Matriks Bilgi Dağıtım Hizmetleri A.Ş.
Security Service	<ul style="list-style-type: none">MGs Merkezi Güvenlik Sistemleri San. Tic. A.Ş.Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş.
Mortgage Service	<ul style="list-style-type: none">Fu Gayrimenkul Yatırım Danışmanlık A.Ş.
Card Printing	<ul style="list-style-type: none">Austria Card Turkey Kart Operasyonları A.Ş.Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.Farklı Yatırım İnşaat A.Ş.
Courier	<ul style="list-style-type: none">AGT Hızlı Kurye Hizmetleri A.Ş.Posta ve Telgraf Teşkilatı A.Ş. (PTT)
Cash and Valuables Transfer	<ul style="list-style-type: none">Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.
Marketing, Sales, Operational Support	<ul style="list-style-type: none">Atos Müşteri Hizmetleri A.Ş.Bilge Adam Yazılım ve Teknoloji A.Ş.D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş.DSM Turkey Teknoloji Hizmetleri A.Ş.Faturalab Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.Figopara Ticari Bilgi ve Uygulama Platformu A.Ş.QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş.
Marketing, Sales, Operational Support and Collection Service	<ul style="list-style-type: none">CMC İletişim ve Çağrı Merkezi Hizmetleri A.Ş.Concentrix Müşteri Hizmetleri A.Ş.
Personnel Selection and Temporary Personnel Employment	<ul style="list-style-type: none">Adecco Hizmet ve Danışmanlık A.Ş.
POS Service	<ul style="list-style-type: none">Bilişim Bilgisayar Hizmetleri A.Ş. (Banksoft)Payten Teknoloji A.Ş.Verifone Elektronik ve Danışmanlık Ltd. Şti.
Collection Service	<ul style="list-style-type: none">Global Bilgi Pazarlama Danışma ve Çağrı Servisi Hizmetleri A.Ş.



Transparency, Legal Compliance and Business Ethics

Transparency

Creating value in a transparent and ethical manner is one of the cornerstones of QNB Türkiye's strong reputation. In line with its Disclosure Policy, the Bank provides shareholders, investors, employees, customers, creditors, and other stakeholders with accurate, comprehensive, and understandable information and explanations, excluding trade secrets, in a timely manner. This information is shared in accordance with local and global disclosure requirements, on equal terms and at the lowest cost. Transparency is considered as an important element in communicating with stakeholders while developing QNB Türkiye's operations.

Since 2018, documents such as Sustainability Reports, CDP Climate Change Reports, and UNGC Progress Reports have been transparently shared with stakeholders. The Bank brings these studies together in a more holistic manner and presents them to stakeholders through the Integrated Annual Report.

Legal Compliance and Business Ethics

QNB Türkiye carries out its operations in compliance with applicable laws, regulations, and standards by actively assessing the related risks. Accordingly, the Compliance Department is responsible for monitoring and evaluating the legislation and responding to opinion requests from the Bank and its subsidiaries.

Financial Crimes Compliance (fraud control, fraud investigation, combating proceeds of crime, suspicious transaction monitoring and analytics, sanctions, and customer assessment) and Personal Data Protection and Management Unit operate under the Internal Control and Compliance Department.

The Financial Crimes Compliance Committee ensures the Bank's compliance with all relevant laws, regulations, standards, and agreements by following national and international developments, reviewing whether there is a new relevant process; investigating and reporting violations of laws and regulations, and misconduct to prevent laundering of proceeds of crime and financing of terrorism, and in this context, conducting fraud-based scenario analysis to prevent/detect fraud; assessing fraud risks and making recommendations to senior management and/or the Audit Committee for appropriate action plans and measures; and thus performing control activities to mitigate the risk of the Bank being used as a facilitator of financial crimes.

Regarding Anti-Bribery and Anti-Corruption, the Compliance Department communicates significant and critical issues related to bribery and corruption to the Board of Directors through the Audit Committee. The Anti-Bribery and Anti-Corruption Policy and Anti-Bribery and Anti-Corruption Instruction cover issues such as responsibilities, general principles and rules, rules on accepting and giving gifts, reporting, disciplinary actions, record keeping, and relations with third parties. The Bank also has an "Anti-Bribery and Anti-Corruption Program." There were no corruption incidents during the reporting period.

You can find QNB Türkiye **Anti-Bribery and Anti-Corruption Policy** [here](#).

Audits covering the risks and controls that may arise in the Anti-Bribery and Anti-Corruption process have been planned by the Board of Internal Auditors and integrated into the Annual Audit Plan. In this context, relevant controls were included within the scope of Financial Crimes Compliance Audit (2021-2022-2023-2024), Financial Crimes Compliance Subsidiary Audits (2021-2022-2023-2024), Procurement Audit (2022), Foreign Trade Operations Audit (2022), Safe Deposit Box and Deposit Operations Audit (2023), Loans and Cash Management Operations Audit (2023), Legal Compliance Audit (2024). During the Financial Crimes Compliance processes controls phase, audit teams carefully examine the existence of a process implemented in our Bank and its subsidiaries regarding Anti-Bribery and Anti-Corruption and the control of the effectiveness of this process, as well as the transfer, customer acquisition processes, EFT transactions, transactions carried out by customers appointed as attorney, the flow in the transactions, if any, carried out by customers who have been discharged from our Bank and who are in the status of abandonment, and the design of trainings that include all these processes in our Bank and the assignment of these trainings.

All QNB Türkiye members are expected to comply with the relevant laws, regulations, and ethical standards that the Bank monitors and declares. In this context, compliance trainings are developed for employees in line with the relevant legal requirements.

During the reporting period, 11,947 employees were informed about anti-corruption policies and procedures, while 11,820 employees received training on the same topic.



Transparency, Legal Compliance and Business Ethics

QNB Türkiye adopts universal human rights principles and national/international ethical banking practices in its operations. To this end, all employees are expected to act in accordance with these principles and practices. In addition to this basic framework, risks that may arise for our stakeholders are monitored in line with the policies and principles specific to QNB Türkiye.

QNB Türkiye embraces universal human rights principles and national and international ethical banking practices and expects its employees to act in accordance with these standards. Thanks to the policies and principles followed by the Bank, risks that employees and customers may face are monitored and managed.

Policies and principles in this context are as follows:

- Combating Laundering Proceeds of Crime/Financing of Terrorism
- Implementation of the “Know Your Customer” principle
- Prevention of Sanctions and Monitoring
- Anti-Bribery and Anti-Corruption
- Code of Conduct for Employees
- Misconduct Prevention and
- Human Resources

In addition to these policies and principles, regular training sessions and notifications are provided to the bank’s employees. Orientation training is offered to new recruits, and information is disseminated through various channels.

Policies, instructions, and procedures in this context are as follows:

- Employee Code of Conduct Instruction
- Code of Conduct for Finance Professionals
- Corporate Governance Policy and Guidelines
- Anti-Bribery and Anti-Corruption Policy
- Policy of the Committee on Prevention of Laundering Proceeds of Crime and Financing of Terrorism
- Policy on Intragroup Information Sharing Between Our Bank and Subsidiaries Forming the Financial Group Together with Our Bank within the Scope of the Regulation on the Program for Compliance with the Obligations Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism
- Policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism
- Group Compliance Policy on Laundering Proceeds of Crime and Financing of Terrorism
- Sanctions Policy
- Counterfeiting Risk Management Policy
- Precious Metals Responsible Supply Chain Compliance Policy
- Conflict of Interest Policy

Notification channels have been established to ensure that notices or complaints are sent to the relevant authorities within the framework of the principle of confidentiality. The relevant authorities review the notices communicated through these channels and take the necessary actions in accordance with the procedures. There is a Notification Hotline mechanism through which employees can report any irregularities and misconduct they suspect or witness. All QNB Türkiye employees can benefit from the Notification Hotline. In addition, the Ethics Hotline, which allows the Bank’s suppliers to report issues related to Bribery and Corruption, was launched in 2024. The views of relevant stakeholders are included in the process at all stages. The Audit Committee, an organ of the Board of Directors, has the authority and responsibility to monitor the results of the notifications made to the Notification Hotline, the measures taken by the senior management and executive units, and the actions taken. Every recruit is trained on the notification hotline mechanism. In addition, employees are periodically sent reminder e-mails about the Notification Hotline mechanism and its functioning.



Compliance Reports within the scope of CMB Legislation

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2. - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1. - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2. - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7. - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8. - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10. - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11. - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				Within the scope of the Internal Directive on Working Principles and Procedures of the General Assembly approved at the General Assembly meeting of our Bank on 28.03.2013, the Bank's employees, guests, audio and video technicians can participate at the General Assembly unless otherwise decided by the chairperson and except for those who are required to attend the meeting in accordance with the legislation



Compliance Reports within the scope of CMB Legislation

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.4. VOTING RIGHTS						
1.4.1. - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2. - The company does not have shares that carry privileged voting rights.	X					
1.4.3. - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
1.5. MINORITY RIGHTS						
1.5.1. - The company pays maximum diligence to the exercise of minority rights.	X					"Minority rights are not specified as less than one twentieth of the Bank's capital in the Articles of Association of the Bank. However, utmost attention is paid to using minority rights in conformity with the Turkish Commercial Code (TTK) and Capital Markets Board (CMB) regulations."
1.5.2. - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Given the shareholding structure of the Bank, minority rights are not specified as less than one twentieth of the Bank's capital in the Articles of Association of the Bank. However, utmost attention is paid to using minority rights in conformity with the Turkish Commercial Code (TTK) and Capital Markets Board (CMB) regulations.
1.6. DIVIDEND RIGHT						
1.6.1. - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2. - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3. - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					It was resolved to retain earnings within the scope of the capital growth strategies.
1.6.4. - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					



	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.7. TRANSFER OF SHARES						
1.7.1. - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1..	X					
2.1.2. - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.					X	
2.1.4. - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1. - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2. - The annual report includes all elements listed in Corporate Governance Principle 2.2.2..	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1. - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3. - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4. - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5. - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					



Compliance Reports within the scope of CMB Legislation

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1. - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			A model has not been established for the participation of stakeholders in management. However, there are independent members in the Board of Directors in order to provide assurance that the rights of minority shareholders and other stakeholders are protected equally within the scope of taken decisions. The management committees in which employees partake and the Intranet portals established to receive suggestions and ideas of employees are designed to promote employee participation.
3.2.2. - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1. - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2. - Recruitment criteria are documented.	X					
3.3.3. - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4. - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5. - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					



	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.6. - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7. - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8. - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9. - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1. - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2. - Customers are notified of any delays in handling their requests.	X					
3.4.3. - The company complied with the quality standards with respect to its products and services.	X					
3.4.4. - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1. - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2. - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1. - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2. - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					



Compliance Reports within the scope of CMB Legislation

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1. - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2. - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3. - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4. - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5. - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7. - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8. - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				As any damages that may be caused during the duties of the members of the Board of Directors has been insured by professional liability insurance, the coverage is below 25% of the capital.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9. - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			No target ratio has been set for the number of female members in the Board of Directors. There are three female members in the Board, and 25% ratio for female directors has been attained.
4.3.10. - At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1. - Each board member attended the majority of the board meetings in person or electronically.		X				In order to facilitate the participation of all members to the Board of Directors' meetings, our Bank also offers remote access and participation to meetings electronically by video-conference.
4.4.2. - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3. - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					



	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4. BOARD MEETING PROCEDURES						
4.4.4. - Each member of the board has one vote.	X					
4.4.5. - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6. - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7. - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Members of the Board of Directors can take responsibilities outside the Bank under the conditions permitted by the legislation; these duties are included in the Annual Report.
4.5. BOARD COMMITTEES						
4.5.5. - Board members serve in only one of the Board's committees.			X			The members of the Board of Directors, depending on the number of members on the Board of Directors and in accordance with their experience, may take part in different committees in compliance with the banking regulations. This serves as a supportive element by facilitating the exchange of information and collaboration between committees where needed.
4.5.6. - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7. - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	Committees received no consultancy services during the year.
4.5.8. - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1. - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4. - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.		X				Loans to be given by the Bank to the Members of the Board of Directors and Managers are restricted by certain limits in Article 50 of the Banking Law. No loans are given to the Members of the Board of Directors and Managers beyond these limits.
4.6.5. - The individual remuneration of board members and executives is disclosed in the annual report.		X				Payments made to the members of the Board and executive managers are announced in sum; not separately per person.



Compliance Reports within the scope of CMB Legislation

I- STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

a) As detailed below and throughout the Report, QNB Bank A.Ş. has complied with the imperative principles of the Corporate Governance Principles numbered 1.3.1 - 1.3.5 - 1.3.6 - 1.3.9 - 4.2.6 - 4.3.1 - 4.3.2 - 4.3.3 - 4.3.5 - 4.3.6 - 4.3.7 - 4.3.8 - 4.5.1(1) - 4.5.2 - 4.5.3 - 4.5.4(2) - 4.5.10 - 4.5.11(3) 4.6.2 and 4.6.3 set out in of the Corporate Governance Communiqué No. II - 17.1, published by the Capital Markets Board (CMB), throughout the financial reporting year of 01.01.2024-31.12.2024. Principle 4.3.4 is an exemption for banks within the scope of Article 6 of the Corporate Governance Communiqué.

b) QNB Bank A.Ş. does not implement principles no. 1.5.2 - 2.2.2 (Most of the information herein is stated in the annual report.) - 3.2 - 4.3.9 which are advisory principles. However, the Bank has set up a Corporate Governance Committee responsible for monitoring whether the Corporate Governance Principles are complied with, describing the problems that may arise due to noncompliance and offering corrective actions to the Board of Directors. The Committee consists of Ramzi T.A. Mari, Saleh Nofal, Yeşim Gıra and Burcu Günhar. During meetings held in 2024, work was done for improvement of the corporate governance practices in the Bank. The Corporate Governance Committee shall consider the said principles in its activities in 2025 and work towards the improvement of corporate governance practices. The Committee also coordinates the operations of the Investor Relations Division.

Corporate Governance Compliance Report and Corporate Governance Information Form for 2024 published on the Public Disclosure Platform are approved by the Board of Directors along with the Annual Report.

⁽¹⁾ Article 4.5.1 includes exceptions for banks with regard to committees.

⁽²⁾ The general manager should be appointed to the Credit Committee within the scope banking legislation, this Article is implemented with this exception.

⁽³⁾ Corporate Governance Committee is responsible for this Article within the scope of organizational structure of the Bank.

II - AUDIT COMMITTEE REPORT

The relevant information is provided in the section titled “The Audit Committee’s Assessments on the Functioning of Internal Control, Internal Audit Compliance and Risk Management Systems and Information on Activities During the Accounting Period” in the Integrated Annual Report.



III - INVESTOR RELATIONS

Investor Relations Division

QNB Bank A.Ş. established Investor Relations Division in 2005, for the purposes of overseeing the rights of shareholders and ensuring effective communication between the Board of Directors and shareholders. Activities of Investor Relations Division are carried out in line with the Corporate Governance Communiqué Part 4 Article 11, dated 03.01.2014 and published by the Capital Markets Board. Investor Relations Division is managed by Ms. Burcu Günhar and supervised by the Corporate Governance Committee. Ms. Burcu Günhar holds Capital Markets Activities Level 3 License, Derivatives License and Corporate Governance Rating License and appointed as Corporate Governance Committee Member as disclosed in the Public Disclosure Platform on 14.05.2018.

In 2024, all telephone and e-mail inquiries were answered within the scope of the relevant legislation. During the year representing the Bank, Investor Relations attended 2 investor conferences and participated in meetings with 83 international investors, rating agencies and analysts. Each quarter presentations based on financial results of the bank were prepared and uploaded on the Investor Relations website.

Shareholders' Right to Access Information

Within the scope of the Informational Policy of QNB Bank A.Ş. as approved at the General Assembly on 27 March 2014, all information in relation to shareholders' rights, such as capital increases, are sent to Borsa Istanbul (Istanbul Stock Exchange) and published in print and on the Public Disclosure Platform (www.kap.gov.tr) in Material Event Disclosure format. Shareholders are informed through emails, meetings and telephone calls, and through the Bank's website, regarding material financial and/or operational information that may affect the exercise of the rights of shareholders.

Appointment of a special auditor is not regulated by the Articles of Association of the Bank. The Bank is audited both by the auditors appointed by the Bank's General Assembly and by the Banking Regulation and Supervision Agency ("BRSA") in accordance with the Banking Law.

General Assemblies

The Annual General Assembly was held on 28 March 2024 at the Head Office located at Esentepe Mahallesi, Büyükdere Caddesi Kristal Kule Binası No: 215 Şişli/ İstanbul with a meeting quorum of 99.9%. The Board of Directors invitation for the Assembly was published in the Turkish Trade Registry Gazette and two daily newspapers, namely, Sabah and Hürriyet. Shareholders were duly provided with the date, agenda and information form regarding the agenda of the Meeting through the website of the Bank, the Public Disclosure Platform as well as the electronic General Assembly System. At the Annual General Assembly held in 2024, none of the shareholders has been proposed any items to be included to the agenda. Questions of shareholders are answered and dissenting opinions given during the meeting have been attached to the meeting minutes and such minutes of the Annual General Assembly is presented to our shareholders' review in our website and Public Disclosure Platform. In the General Assembly, within the scope of item 11, shareholders were provided information regarding the total amount of donations made in 2023.

In addition, pursuant to Art. 1.3.6 of the Corporate Governance Communiqué No. II - 17.1, information was provided regarding transactions conducted in 2022. The General Assembly was informed that other than transactions conducted in 2023 within the limits allowed by the Banking Law and relevant legislation, no significant transactions of the nature to cause a conflict of interest with the Bank or its affiliated companies were carried out by shareholders in charge of management, members of the Board, members of upper management, and their spouses and kind of second degree by blood and marriage; that they did not conduct, in their own account or on behalf of third parties, any transactions of the type falling under the field of operation of the Bank or its affiliated companies; and that they did not join as a partner with unlimited liability another company carrying out similar commercial transactions.



Compliance Reports within the scope of CMB Legislation

Extraordinary General Assembly

The Annual General Assembly was held on 1 October 2024 at the Head Office located at Esentepe Mahallesi, Büyükdere Caddesi Kristal Kule Binası No: 215 Şişli/ İstanbul with a meeting quorum of 99.9%. The invitation to the General Assembly was announced to the shareholders via the Public Disclosure Platform, Turkish Trade Registry Gazette and Sabah newspapers, and the date, agenda and information document regarding the meeting agenda were shared with our shareholders via our Bank's website, Public Disclosure Platform and Electronic General Assembly System. No agenda proposals were submitted by our shareholders during the meeting. The questions asked by our shareholders at the Extraordinary General Assembly Meeting were answered during the meeting. At the relevant Extraordinary General Assembly Meeting, within the scope of the permissions obtained from the Banking Regulation and Supervision Agency, Capital Markets Board and Ministry of Trade, it was decided to amend Articles 3 - 4 - 5 - 12 - 16 - 30 of the Articles of Association of our Bank and within this scope, the trade name of our Bank was changed to QNB Bank A.Ş.

Voting Rights and Minority Rights

No voting privilege is granted and no cumulative voting procedure is adopted by the Bank's Articles of Association. Minority rights is not determined as less than %5 (1/20) of the share capital by the Articles of Association.

Dividend Distribution Policy

Dividend distribution policy of the Bank is approved in the General Assembly dated 27.03.2014. The dividend is calculated under the provisions of the applicable regulations and provisions of the Bank's Articles of Association and determination and distribution of the annual profit are regulated by Article 25 and 26 of the Articles of Association of the Bank; there is no restriction on participation to the annual profit. Besides, distribution of the profit is included to the agenda of the

Transfer of Shares

QNB Bank A.Ş.'s Articles of Association do not restrict shareholders from transferring their shares. However, share transfer is subject to the BRSA approval pursuant to the relevant provisions of the Banking Law.

IV. STAKEHOLDERS

Informing Stakeholders

Bank employees are informed about the Bank's operations when deemed necessary via internal communications tools. In addition, managers at the Headquarters and branches are informed about developments via regularly held meetings.

The tip-off hotline, set up for informing regarding transactions contrary to the Bank's procedures and instructions, and that are against legislation and improper ethically, is open to access by stakeholders through a number of channels.

Participation of Stakeholders in Management

The Bank does not have a model to ensure stakeholders' involvement in management.



V - BOARD OF DIRECTORS

Please see page the Board of Directors for related information.

Declaration of Independence

TO QNB BANK A.Ş.

I hereby declare that

- a) I do not have a relationship between me, or my spouse and relatives by blood or marriage up to second degree, and the Bank, companies where the corporation holds management control¹ or significant influence², and shareholders who hold management control of the Bank or have significant influence in the corporation, and legal entities in which these shareholders hold management control, in terms of employment at an administrative level to take upon significant duties and responsibilities within the last five years, I do not own more than 5% of the capital or voting rights or privileged shares jointly or solely, or I do not have established a significant commercial relation.
- b) I have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duties and responsibilities, or member of board of directors within the last five years at the companies that the Bank purchases or sells goods or services at a significant level within the framework of contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the Bank, at the time period when the corporation purchases or sells services or goods.
- c) I have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent board member.
- d) I shall not serve as a full-time employee of public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation.
- e) I am residing in Turkey in accordance with the Income Tax Law dated 31 December 1960 and numbered 193.
- f) I am capable to contribute positively to the operations of the Bank, to maintain their objectivity in conflicts of interests between the corporation and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders.
- g) I shall be able to allocate time for the Bank's business in order to follow up the activities of the Bank and duly fulfill the allocated duties.
- h) I have not been a member of the board of the Bank for more than a period of six years within the last ten years.
- i) I shall not be an independent member of the board of directors in more than three corporations where the Bank or the controlling shareholders of the Bank hold management control, and in more than five corporations admitted to trading on the exchange in total.
- j) I am not registered and announced as a board member representing a legal entity.

Yeşim Gura



Compliance Reports within the scope of CMB Legislation

CORPORATE GOVERNANCE INFORMATION FORM

Related Companies	
Related Funds	
1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	In 2024, Investor Relations participated at 2 investor conferences, and conducted meetings/teleconferences with 83 institutional investors, banking analysts and rating analysts. Daily inquiries coming from investors, investment banks and credit rating agencies were replied in an accurate and timely manner.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	None.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	Provided both in Turkish and English at the same time Turkish: https://www.kap.org.tr/tr/Bildirim/1263990 https://www.kap.org.tr/tr/Bildirim/1347365
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided simultaneously both in Turkish and English: Turkish: https://www.qnb.com.tr/yatirimci-iliskileri/kurumsal-yonetim/genel-kurul English: https://www.qnb.com.tr/en/investor-relations/corporategovernance/general-assembly
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	None.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	None.
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.qnb.com.tr/medium/document-file-4111.vsf
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/1263990
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Participation of stakeholders to the General Assembly is not regulated in the Articles of Association.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Shareholders and Bank employees attended the Ordinary General Assembly held in 2024.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	No voting privileges
The percentage of ownership of the largest shareholder	99.88%



1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Disclosed on Investor Relations Section of the Bank's Corporate Website under the title "Corporate Governance Policies and Rules": https://www.qnb.com.tr/en/investor-relations/corporate-governance/corporate-governance-policies-and-rules
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Pursuant to the second proposal under meeting agenda item 5 made by the Board of Directors, it was resolved by the majority of the votes to adopt allocation of the net profit of TRY-33,172,441,567.31-, which was calculated on the basis of the Bank's 2023 financial statements by deducting the taxes and other financial liabilities as follows; TRY-278,819.66 - shall be added to the Asset Sale Gains Fund to the Real Estate Sales Profit Fund in accordance with the provisions of Article 5-1/e of the Commercial Tax Code, and the remaining TRY-33,172,162,747.65-, shall be transferred under the Extraordinary Reserves, given the fact that, the statutory reserves have reached twenty percent of the paid-in capital of our Bank, pursuant to the first paragraph of Article 519 of the Turkish Commercial Code; And it was resolved by the majority of the votes to adopt to book and allocate the total revaluation gain (which is the difference between the net book value of the fixed assets before and after the revaluation) amounting to TRY-7,559,339,853.69 under the "TPC Reiterated Article 298/Ç of the Revaluation Fund" account under Equity by transferring from the legal reserves, as a result of revaluation of the fixed assets 4 according to the Tax Procedure Code Reiterated Article 298/Ç by the end of year 2023; and it was resolved by the majority of the votes to adopt to reallocate related revaluation gain, TRY 4,259,426,612.92 under the Tax Procedure Code Temporary Article 32 and TRY-15,247,497,915.61 under Tax Procedure Code Reiterated Article 298/Ç, i.e. total amount of TRY-19,506,924,528.53 which were booked and allocated under related fund accounts to the profit reserves, as a result of revaluation of the fixed assets according to the Tax Procedure Code Temporary Article 32 and Reiterated Article 298/Ç by the end of years 2022 and 2023, and it was resolved by the majority of the votes to authorize the Board of Directors in order to use the said reserve funds, with the affirmative votes representing TRY-3,345,892,248.466 amounted registered share capital, against the rejection votes representing TRY-8,972 amounted registered share capital.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/en/Bildirim/1263990
General Assembly Meetings	
General Meeting Date	28.03.2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	99.88%
Percentage of shares directly present at the GSM	0%
Percentage of shares represented by proxy	99.88%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Disclosed at QNB Bank A.Ş. Corporate Website's Investor Relations Section under the Corporate Governance Subsection under the title "General Assembly" for each year specified (https://www.qnb.com.tr/en/investor-relations/corporate-governance/general-assembly)
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Disclosed at QNB Bank A.Ş. Corporate Website's Investor Relations Section under the Corporate Governance Subsection under the title "General Assembly" for each year specified (https://www.qnb.com.tr/en/investor-relations/corporate-governance/general-assembly)
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	Article 17
The number of declarations by insiders received by the board of directors	736
The link to the related PDP general shareholder meeting notification	General Assembly: https://www.kap.org.tr/en/Bildirim/1255474 Extraordinary General Assembly: https://www.kap.org.tr/en/Bildirim/1347365



Compliance Reports within the scope of CMB Legislation

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Listed at Bank's Corporate Website's Investor Relations Section: (https://www.qnb.com.tr/en/investor-relations/corporate-governance)
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Listed at Bank's Corporate Website's Investor Relations Section under the Corporate Governance Subsection under the title 'Shareholder Structure' (https://www.qnb.com.tr/en/investor-relations/shareholder-structure)
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	The external duties of the members of the Board of Directors and Executives are included in the Board of Directors and Senior Management sections of the Integrated Annual Report for 2024. The declaration of independence of Mrs. Yeşim Güra, Independent Board Member, is included under "V - Board of Directors" section.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Integrated Annual Report 2024 - Committees under the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Integrated Annual Report 2024 - Board of Directors and Participation in Board Committee Meetings
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Integrated Annual Report 2024 - Additional Information on Activities of the Bank
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	None.
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Integrated Annual Report 2024-Evaluations of the Audit Committee on the activities of Internal Control, Internal Audit Compliance and Risk Management Systems and Information about their activities in the accounting period
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	No cross ownership
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Integrated Annual Report 2024 - Employee Transformation

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.qnb.com.tr/medium/document-file-4111.vsf
The number of definitive convictions the company was subject to in relation to breach of employee rights	37
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ombudsman and Internal Audit
The contact detail of the company alert mechanism	"Notifications can be submitted to Internal Audit via mail: ihbarhatti@qnb.com.tr or via https://www.qnb.com.tr/bize-ulasin/bize-ulasin/diger-konular ; Bank employees may also report their complaints and/or notices by contacting the ombudsman."
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	As there are no written internal regulations, participation of employees is ensured in all projects and studies conducted in line with the strategic priorities of the Bank.
Corporate bodies where employees are actually represented	Employees are encouraged to take part in decision making through committee memberships of middle- and upper- level management and also intranet portals, which serve as a means for employees to submit their opinions and suggestions.



3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	As there are succession plans for the key management positions, these are regularly reviewed by the General Manager, who is at the same time a Executive Board Member and re-evaluated by the Board of Directors if needed.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	https://www.qnb.com.tr/en/sustainability/reports-and-policies
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	https://www.qnb.com.tr/en/about-qnb/policies
The number of definitive convictions the company is subject to in relation to health and safety measures	0
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	https://www.qnb.com.tr/en/sustainability/reports-and-policies
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Although there is no corporate social responsibility report published on the corporate website, studies in this area can be accessed from the Corporate Social Responsibility and Sponsorships Section of the Bank's corporate website (https://www.qnb.com.tr/en/about-qnb/corporate-social-responsibility-and-sponsorships). Sustainability Policy, Environmental and Social Risk Management Policy and other sustainability policies are also available on the Sustainability Section of the Bank's corporate website. (https://www.qnb.com.tr/en/sustainability)
Any measures combating any kind of corruption including embezzlement and bribery	Anti-Bribery and Corruption Policy is published at the Bank's corporate website: https://www.qnb.com.tr/en/sustainability/reports-and-policies

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	The self-evaluation process of the Board of Directors for 2024 was made in February 2025.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegated duties and/or authorities
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	The Internal Control Unit submitted 4 reports to the Audit Committee in 2024 (an activity report for each quarter).
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Integrated Annual Report 2024 -Evaluations of the Audit Committee on the activities of Internal Control, Internal Audit and Risk Management Systems and Information about their activities in the accounting period
Name of the Chairman	Dr. Mehmet Ömer Arif Aras
Name of the CEO	Osman Ömür Tan
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The roles of the Chairman and CEO are undertaken by different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	As any damage that may be caused by the members of the board of directors during the discharge of their duties has been insured by professional liability insurance, the coverage amount is below 25% of the capital.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	https://www.qnb.com.tr/en/sustainability/blogs/blogs-of-the-executives/the-rise-of-women-in-senior-management-breaking-the-glass-ceiling
The number and ratio of female directors within the Board of Directors	The Board of Directors consists of 11 members, of which 3 are female, corresponding to 27.27%.



Compliance Reports within the scope of CMB Legislation

Board Members				
Name-Surname	Real Person Acting on Behalf of Legal Person Member	Independent Board Member or Not	The First Election Date to Board	
Dr. Mehmet Ömer Arif Aras	Non-executive	Not independent director	16.04.2010	
Yousef Mahmoud H N Al-Neama	Non-executive	Not independent director	28.05.2019	
Adel Ali M A Al-Malki	Non-executive	Not independent director	28.05.2019	
Yeşim Gura	Non-executive	Independent director	30.03.2023	
Saleh Nofal	Non-executive	Independent director	30.03.2023	
Durmuş Ali Kuzu	Non-executive	Independent director	25.08.2016	
Fatma Abdulla S. S. Al Suwaidi	Non-executive	Not independent director	16.06.2016	
Noor Mohd J. A. Al-Naimi	Non-executive	Independent director	22.06.2017	
Temel Güzeloğlu	Non-executive	Not independent director	16.04.2010	
Ramzi T. A. Mari	Non-executive	Independent director	16.06.2016	
Osman Ömür Tan	Executive (CEO)	Not independent director	01.01.2022	



	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He Lost the Independence or Not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or Not
	-	-	(No)	(Yes)
	-	-	(No)	(Yes)
	-	-	(No)	(Yes)
	-	It was considered by the Corporate Governance Committee	(No)	(Yes)
	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Not considered	(No)	(Yes)
	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Not considered	(No)	(Yes)
	-	-	(No)	(Yes)
	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Not considered	(No)	(Yes)
	-	-	(No)	(Yes)
	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Not considered	(No)	(Yes)
	-	-	(No)	(Yes)



Compliance Reports within the scope of CMB Legislation

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	The Board of Directors held 6 meetings physically in 2024. In addition, the Board of Directors adopted various resolutions within the scope of Article 390 of the Turkish Commercial Code in 2024 without having a meeting.
Director average attendance rate at board meetings	95,40%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Information and documents are submitted to the Board of Directors at least 5 days prior to the board meeting.
The name of the section on the corporate website that demonstrates information about the board charter	QNB Bank A.Ş. Corporate Website - Investor Relations - Corporate Governance (https://www.qnb.com.tr/en/investor-relations/corporate-governance)
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Limits specified in the banking legislation are applied.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Integrated Annual Report 2024 - Committees under the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	As there is no PDP notification link, the working principles are summarized in the integrated annual report. Integrated Annual Report 2024 - Committees under the Board of Directors

Composition of Board Committees-I				
Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Corporate Governance Committee	-	Ramzi T. A. Mari	Yes	Board member
Corporate Governance Committee	-	Saleh Nofal	No	Board member
Corporate Governance Committee	-	Yeşim Gura	No	Board member
Corporate Governance Committee	-	Burcu Günhar	No	Board member
Audit Committee	-	Saleh Nofal	Yes	Board member
Audit Committee	-	Ramzi T. A. Mari	No	Board member
Audit Committee	-	Durmuş Ali Kuzu	No	Board member
Audit Committee	-	Noor Mohd J A Al-Naimi	No	Board member
Committee of Early Detection of Risk	-	Mehmet Ömer Arif Aras	Yes	Board member
Committee of Early Detection of Risk	-	Fatma Abdulla S S Al-Suwaidi	No	Board member
Committee of Early Detection of Risk	-	Adel Ali M A Al-Malki	No	Board member
Committee of Early Detection of Risk	-	Saleh Nofal	No	Board member
Other	Credit Committee	Mehmet Ömer Arif Aras	No	Board member
Other	Credit Committee	Temel Güzeloğlu	No	Board member
Other	Credit Committee	Fatma Abdulla S S Al-Suwaidi	Yes	Board member
Other	Credit Committee	Yousef Mahmoud H N Al-Neama	No	Board member
Other	Credit Committee	Osman Ömür Tan	No	Board member
Other	Credit Committee	Noor Mohd J A Al-Naimi	No	Board member
Other	Credit Committee	Ramzi T. A. Mari	No	Board member
Remuneration Committee	-	Temel Güzeloğlu	No	Board member
Remuneration Committee	-	Yousef Mahmoud H N Al-Neama	Yes	Board member



4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Integrated Annual Report 2024 - Committees under the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Integrated Annual Report 2024 - Committees under the Board of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	As the activities of the Nomination Committee in the Bank are carried out by the Corporate Governance Committee, the information is available at: Integrated Annual Report 2024 - Committees under the Board of Director
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Integrated Annual Report 2024 - Committees under the Board of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Integrated Annual Report 2024 - Committees under the Board of Directors
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Integrated Annual Report 2024 - Assessment of the Bank's Performance in 2024
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.qnb.com.tr/medium/document-file-2863.vsf
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Disclosed in the Integrated Annual Report 2024 under Financial Reports Section - Section Five Footnote VII.1.4. titled "Information on Benefits Provided to Top Management

Composition of Board Committees-II

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors In The Committee	The Number of Meetings Held in Person	The Number of Reports on Its Activities Submitted to the Board
Audit Committee	-	100%	100%	16	4
Corporate Governance Committee	-	75%	75%	8	1
Committee of Early Detection of Risk	-	100%	25%	12	12
Other	Credit Committee	86%	29%	30	.
Remuneration Committee	-	100%	0%	6	1



Compliance Reports within the scope of CMB Legislation

SUSTAINABILITY COMPLIANCE REPORT

	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				Priority issues were identified through the materiality analysis method, and risks and opportunities related to ESG were identified based on the materiality analysis and included in the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				The Sustainability Policy and supporting ESG policies are approved by the Board of Directors and published in the sustainability section of the Bank's corporate website.	Sustainability Related Policies: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				The Bank's sustainability strategy, framework, short and long-term goals and materiality matrix created according to the United Nations Sustainable Development Goals are announced to the public in the integrated annual report and in the sustainability section of the corporate website.	Sustainability Website: https://www.qnb.com.tr/en/sustainability Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				The Sustainability Committee is responsible for the overall management and oversight of the sustainability strategy and performance. The Sustainability Team is responsible for the execution of all the Bank's sustainability efforts, their compliance with the QNB Group's strategies and policies, and all sustainability reporting issues. Moreover, Sustainability Working Groups are composed of representatives of relevant business lines and units within the Bank, and create and execute projects and action plans related to sustainability.	Sustainability Governance and Management: https://www.qnb.com.tr/en/sustainability/our-approach/sustainability-management Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				The Sustainability Committee, which is responsible for the overall management and oversight of the sustainability strategy and performance, is responsible for informing the Corporate Governance Committee and the Board of Directors on relevant issues and reporting sustainability activities at least once a year and at the required frequency.	Sustainability Governance and Management: https://www.qnb.com.tr/en/sustainability/our-approach/sustainability-management Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies



	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				Project and action plans have been created within the scope of short and long-term targets and reported to the Board of Directors and relevant committees. Although the relevant project/action plans are not disclosed to the public, performance outputs and key performance indicators are presented to the public periodically and comparatively with Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				The identified Key Performance Indicators (KPIs) of the Bank are disclosed in Integrated Annual Report as a comparison over the years.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Activities to improve the sustainability performance of business processes, products and services are disclosed in the relevant sections of the Integrated Annual Report	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				While the Bank's compliance with the Capital Markets Board Sustainability Principles is disclosed in the Integrated Annual Report, sustainability performance, targets and sustainability activities are disclosed to the public through the Integrated Annual Report on an annual basis.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				Contribution to the UN Sustainable Development Goals is publicly disclosed through Integrated Annual Reports.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X				Disclosures regarding lawsuits filed and/or concluded against ESG issues are published in the relevant sections of the Bank's Integrated Annual Report and Public Disclosure Platform.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X				Identified ESG Key Performance Indicators are verified by an independent third party and shared publicly through integrated reports.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies



Compliance Reports within the scope of CMB Legislation

	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Carrying out the necessary work for the operation of an environmental management system at international standards, the Bank received the ISO 14001 Environmental Management System Certificate, covering the Kristal Tower (Headquarters Building), Erzurum Operations Building, and Umraniye E Block Building.	Integrated Annual Report and ISO Certificates https://www.qnb.com.tr/en/sustainability/reports-and-policies
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				In the "About the Report" sections of the integrated annual report, the boundary of the report, the reporting period and reporting principles are detailed.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).		X			The Bank provides incentives related to climate change to all its employees, beginning from the top management level. In addition, a systematic incentive mechanism has been established for the Bank's senior management, but it has not been disclosed to the public.	CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				The Bank discloses its material issues identified through materiality analysis and how these issues are integrated into its business objectives and strategy in its Integrated Annual Report.	Sustainability Governance and Management: https://www.qnb.com.tr/en/sustainability/our-approach/sustainability-management Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B7. Partnership including operation process suppliers and suppliers along the value chain including customers how environmental issues managed, aligned to business objectives and how it is integrated into strategies publicly disclosed.	X				The Bank takes the utmost care to conduct direct operations along the value chain and actions taken in this regard. The relevant provisions of the Integrated Annual Report are detailed.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				The Bank's environmental related memberships and collaborations are reported in detail in the memberships section of the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies



	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Environmental indicators, that are directly related to the Bank's activities, are calculated periodically and comparatively, and shared with the public through Integrated Annual Report and CDP reports.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				Standard, protocol, methodology and base year details are included in the Reporting Guidance for Non-Financial Data section of the Integrated Annual Report.	Integrated Annual Report https://www.qnb.com.tr/en/sustainability/reports-and-policies
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Environmental indicators are publicly disclosed in the Integrated Annual Report in comparison with previous years.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				In integrated annual reports, the Bank's short and long-term targets are announced and progress against the determined targets is presented to the public.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				The strategy and actions to combat the climate crisis are explained in the CDP Climate Change reports and Integrated Annual Report.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				In line with QNB Türkiye's Sustainable Product and Finance Framework, the products and services offered to its customers are presented in the annual Integrated Annual Report and on the corporate website.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies Corporate Website: https://www.qnb.com.tr/en/sustainability/responsible-products-and-services
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				QNB Türkiye aims to spread the principle of sustainable value creation throughout its entire supply chain with its responsible procurement vision. Within the scope of the Sustainability Policy, the Bank assesses sustainability risks within the supply chain and cooperates with third parties to ensure compliance. The Bank expects third parties to act in compliance with applicable laws and regulations. Actions taken are disclosed to the public in the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies



Compliance Reports within the scope of CMB Legislation

	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				The results of the actions taken to reduce environmental impacts are shared in the relevant sections of the integrated annual report on a project basis. In addition, projects and actions to reduce environmental impacts are explained in the CDP Climate Change and	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Energy consumption data are periodically and comparatively calculated and disclosed in the CDP Climate Change Report and Integrated Annual Report within the scope of Environmental Performance Indicators.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				The primary consumption data within the scope of the Bank's activities are disclosed in the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Maximum care is taken to increase the use of renewable energy sources. Efforts to transition to zero or low carbon electricity are described in the CDP Climate Change Report and Integrated Annual Report. In 2024, 100% of electricity consumption was met from renewable energy sources.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B19. The renewable energy production and usage data has been publicly disclosed.	X				In 2024, 100% of electricity consumption was met from renewable energy sources. Energy consumption data is disclosed in integrated annual report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				Energy consumption and emission reduction amounts are disclosed in the CDP Report and the results of actions taken to increase energy efficiency are disclosed on a project basis in the Integrated Annual Report.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				The Bank discloses details on water consumption in its Integrated Annual Report and CDP Climate Change Report.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				X	There is no Emissions Trading System (ETS) in Türkiye.	-
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.	X				The Bank received carbon credits (I-REC Certificate) in 2024 for zero emissions from electricity. The Bank also received carbon credits (Gold Standard Carbon Offset Certificate) for carbon emissions from its digital channels. Details can be found in the Integrated Annual Report.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/surdurulebilirlik/surdurulebilirlik-raporlar-politikalar Digital Channels Offset Certificates: https://www.qnb.com.tr/qnbyi-taniyin/surdurulebilirlik/iklim-dostu-dijital-platformlar?utm_source=qnb&utm_medium=footer
B24. If carbon pricing is applied within the Company, the details have been disclosed.	X				Studies on carbon pricing are included in CDP Climate Change reports.	CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				The Bank discloses its environmental information to the public in its Integrated Annual Report and CDP reports.	Integrated Annual Report and CDP Reports: https://www.qnb.com.tr/en/sustainability/reports-and-policies



	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.		X			Human Rights and Employee Rights issues are addressed in the Bank's Sustainability Policy and disclosed to the public on the corporate website.	Sustainability Related Policies: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labour standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				The Bank respects the human rights of everyone affected by its activities and ensures that everyone is treated with dignity and equality regardless of race, religion, gender, age or language. The Bank provides its employees with a working environment where they are treated with fairness, equality and respect. Providing equal remuneration and development opportunities, establishing grievance mechanisms, preventing discrimination, ensuring occupational safety and security of employees are considered within this framework. The Bank expects its customers and suppliers to respect human rights and prevents child labor and forced labor within its own workforce and supply chain. The Bank discloses its approach to these issues to the public through its Sustainability Policy on its corporate website.	Sustainability Related Policies: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				Measures taken throughout the value chain to protect the rights and equal opportunities of groups sensitive to social factors or minorities are disclosed to the public through the Integrated Annual Report and Sustainability Policies.	Sustainability Related Policies: https://www.qnb.com.tr/en/sustainability/reports-and-policies Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labour have been disclosed.	X				Actions taken and related regulations are disclosed to the public in the Bank's related policies, Integrated Annual Report and Sustainability page of the corporate website.	Sustainability Related Policies: https://www.qnb.com.tr/en/sustainability/reports-and-policies Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				Relevant information is explained in detail in the relevant sections of the Integrated Annual Report and the Sustainability Policy.	Sustainability Related Policies: https://www.qnb.com.tr/en/sustainability/reports-and-policies Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				Related information is disclosed in detail in the relevant sections of the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies



Compliance Reports within the scope of CMB Legislation

	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
C. SOCIAL PRINCIPLES						
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Information on ensuring employee satisfaction is disclosed in the relevant sections of the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.6. The occupational health and safety policies have been established and disclosed.		X			The Bank has an Occupational Health and Safety Policy, but it has not been disclosed to the public. Activities carried out within the scope of the policy are disclosed to the public in the Integrated Annual Report. .	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Statistics on occupational accidents are published annually in the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.7. The personal data protection and data security policies have been established and disclosed.	X				The Bank's Protection of Personal Data and Information Security and Cyber Security Policy exists and has been disclosed to the public.	Protection of Personal Data Policy: https://www.qnb.com.tr/en/information/protection-of-personal-data Information Security and Cyber Security Policy: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.8. The ethics policy have been established and disclosed.		X			Although there is no publicly available or formally established Ethics Policy, the ethical standards expected from Bank employees have been set forth through the "QNB Employee Code of Conduct" and the "Code of Conduct for QNB Professionals."	Employee Code of Conduct Procedure: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				The activities carried out in this context are disclosed to the public in the relevant sections of the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				In addition to general awareness-raising events and/or trainings on sustainability, trainings and meetings are organized specifically on ESG policies and practices, and utmost care is taken to increase the participation of relevant employees in these trainings. The activities carried out are disclosed to the public through the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies



	Compliance Status				Explanation	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
C. SOCIAL PRINCIPLES						
C2. Stakeholders, International Standards and Initiatives						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.		X			The Bank has relevant policies and procedures, but they have not been disclosed to the public.	-
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				It takes the utmost care to ensure continuous and transparent communication with its stakeholders. Detailed information on Stakeholder Engagement and Communication is shared in the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C2.3. The international reporting standards that adopted in reporting have been explained.	X				The Bank explains the international reporting standards it has adopted in its Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				The Bank discloses the institutions and principles as a signatory to in its Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X				The details of the sustainability indices in which QNB Türkiye participates are shared with the public through its Integrated Annual Report.	Sustainability Website: https://www.qnb.com.tr/en/sustainability Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				In all processes of the Bank, the opinions of the relevant stakeholders are sought as well as their contributions to processes and strategies are encouraged. The activities carried out are disclosed to the public through the Integrated Annual Report.	Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				The efforts in this regard are highlighted in the Integrated Annual Report and on the sustainability section of the corporate website.	Sustainability Website: https://www.qnb.com.tr/en/sustainability Integrated Annual Report: https://www.qnb.com.tr/en/sustainability/reports-and-policies



Additional Information on the Activities of the Bank

The Bank does not have a share repurchase program and has not bought back its own shares from the marketplace. The Bank's quarterly financial statements are subject to a limited review, whereas the annual financial statements are audited by an independent auditor. Moreover, the Bank is subject to constant surveillance under the scope of banking regulation and is subject to supervision of the Banking Regulation and Supervision Agency.

With regards to transactions carried out with the Bank's controlling main shareholder, namely Qatar National Bank Q.P.S.C. ("QNB"), and its related subsidiaries and affiliates, there exist no measures either taken in favor of the Bank or refrained from taken. Transactions and/or relevant legal deals among the group companies and related parties have been conducted on an arms-length principle and go through the regular procedures and principles as if they are conducted with an independent third party. There have been no actions taken to the detriment of the Bank either by the controlling main shareholder or its affiliates.

All legal transactions realized with the controlling company and other affiliated companies thereof, details of which are provided in the Affiliation Reports, have, to the best of the Bank's knowledge of circumstances and market conditions, been done so against compatible counter actions. No measures have been taken or avoided to be taken, and the Bank has suffered no damages. As a result of an inspection of financial transactions the Bank had realized with the controlling company and other affiliated companies thereof, as per Art. 199 of the Turkish Commercial Code, all transactions conducted by the Bank were compatible with ensuing market conditions and precedents, performed on an arms-length basis.

In addition, in 2024, the commercial title of the Bank's subsidiary "QNB Finans Faktoring A.Ş." was amended as "QNB Faktoring A.Ş." as resolved by the Extraordinary General Assembly dated 25/09/2024.

In 2024, the trade name of the Bank's subsidiary "QNB Finans Yatırım Menkul Değerler Anonim Şirketi" was amended as "QNB Yatırım Menkul Değerler Anonim Şirketi" as resolved by the Extraordinary General Assembly dated 24/09/2024.

In 2024, the trade name of the Bank's subsidiary "QNB Finans Portföy Yönetimi Anonim Şirketi" was amended as "QNB Portföy Yönetimi Anonim Şirketi" as resolved by the Extraordinary General Assembly Decision 17/09/2024.

In 2024, the trade name of the Bank's subsidiary "QNB Finans Finansal Kiralama Anonim Şirketi" was amended as "QNB Finans Kiralama Anonim Şirketi" as resolved by the Extraordinary General Assembly Decision 21/10/2024.

The trade name of the Bank's subsidiary "EFinans Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi" was amended as "QNB ESolutions Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi" as resolved by the Extraordinary General Assembly Decision 10/01/2025.

Within the scope of branding strategies, it has been decided to change the logo and trade name of the Bank. Following the registration of Extraordinary General Assembly resolution dated October 1, 2024 on the October 11, 2024; the commercial title "QNB FİNANSBANK A.Ş." was changed to "QNB BANK A.Ş." In addition, within the scope of the Extraordinary General Assembly resolutions dated October 1, 2024, Articles 3 - 4 - 5 - 12 - 16 - 30 of the Articles of Association of the Bank were amended as stated in "Integrated Annual Report 2024- Information on the General Assembly- Agenda of the Extraordinary General Assembly."



Information on Amendments in the Legislation with Effect on the Activities of the Corporation

The Bank is now a first group company under the scope of the Corporate Governance Communique for the year of 2024. Related actions as required by the aforesaid Communique were taken accordingly.

Sanctions will be imposed on firms that improperly benefited from FX conversion support or made false statements and new foreign exchange conversion support payments will not be made to these firms.

Amendments were made to articles 6, 9 and 18 of the Personal Data Protection Law No. 6698, and a temporary article was added to the Law.

Banks that intermediate the FX conversion support payment but fail to fulfil the control obligations will be subject to sanction amount to Central Bank.

Companies that do not fulfil their commitment on not purchasing FX or unfairly benefit from FX conversion support or make false declarations to the Central Bank or banks will be subject to sanctions.

Crypto asset, crypto asset trading platform, crypto asset custody service and crypto asset service providers are defined, and Crypto Asset Service Providers are included in the scope of Financial Institutions and subject to obligations under the AML Regulations.

Conservative risk weights set for some specific loans (such as consumer, vehicle and mortgage loans, etc.) used in capital adequacy standard ratio calculations are abolished. Risk weights in related Regulation will be applied.

Banks, financial leasing, factoring, financing, savings finance, and asset management companies were exempted from inflation accounting in 2025. Additionally, regulations were introduced regarding the restructuring of overdue loans and restrictions on the conditions for opening FX-protected Turkish lira deposit or participation accounts.



Financial Reports

QNB BANK ANONİM ŞİRKETİ
(FORMERLY KNOWN AS “QNB FİNANSBANK ANONİM ŞİRKETİ”)

Independent Auditor’s Report,
Unconsolidated Financial Statements and
Notes for the Year Ended 31 December 2024







**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of QNB Bank Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying unconsolidated financial statements of QNB Bank Anonim Şirketi (formerly known as QNB Finansbank Anonim Şirketi) ("the Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2024, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the basis for the qualified opinion paragraph below, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.



2. Basis for Qualified Opinion

As explained in Section Five Part II 9.4 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 December 2024 include a free provision amounting to TL 4.700.000 thousand, which consists of TL 6.800.000 thousand provided in prior years and TL 2.100.000 thousand reversed in the current period by the Bank management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 4.700.000 thousand, net profit and equity would have decreased by TL 2.100.000 thousand and increased by TL 4.700.000 thousand, respectively as at 31 December 2024.

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements” section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.



<i>Key Audit Matters</i>	<i>How the key audit matter was addressed in the audit</i>
<p data-bbox="124 640 772 696">Impairment of loans determined within the framework of TFRS 9</p> <p data-bbox="124 725 772 1037">The Bank has total expected credit losses for loans amounting to TL 40.610.233 thousand in respect to total loans amounting to TL 910.998.694 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2024. Explanations and notes regarding the provision for impairment of loans are represented in Notes VIII of Section Three, II.1 of Section Four, II.4 of Section Four and 1.6 of Section Five of the accompanying unconsolidated financial statements as at 31 December 2024.</p> <p data-bbox="124 1066 772 1406">The Bank recognizes provisions for impairment in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost.</p> <p data-bbox="124 1435 772 1682">In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans. Impairment allowances are calculated on a collective basis for portfolios of loans of a similar nature and on individual basis for significant loans taking into account Management's best estimate at the balance sheet date and historical losses incurred.</p>	<p data-bbox="794 640 1426 842">With respect to stage classification of loans and calculation of expected credit losses in accordance with TFRS 9, we have assessed policy, procedure and management principles of the Bank within the scope of our audit. We tested the design and the operating effectiveness of relevant controls implemented in accordance with these principles.</p> <p data-bbox="794 871 1442 1350">We checked appropriateness of matters considered in methodology applied by the Bank with TFRS 9 for calculation of the provision amount through stage classification of loans. For forward looking assumptions by the Bank's management in its expected credit losses calculations, we held discussions with management, evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, exposure at default model, loss given default model, and approaches in relation to projection of macroeconomic expectations with our financial risk experts. We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors). Our procedures also included the following:</p> <ul data-bbox="820 1379 1442 1491" style="list-style-type: none">• Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used.



<i>Key Audit Matters</i>	<i>How the key audit matter was addressed in the audit</i>
<p data-bbox="150 645 794 701">Impairment of loans determined within the framework of TFRS 9 (Continued)</p> <p data-bbox="150 730 794 1122">Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the appropriateness of classification of loans as per their credit risk (staging) in accordance with applicable regulation and the importance of determination of the associated impairment allowances. Timely and correctly identification of loss event and the level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p>	<ul data-bbox="842 645 1465 1518" style="list-style-type: none"> • For a sample of exposures, we checked the accuracy of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations. • We checked the calculation of the Loss Given Default (LGD) used by the Bank in the expected credit losses calculations, and tested collaterals, recovery and costs in addition to arithmetical calculations. • For a selected sample, we checked expected credit losses determined based on individual assessment per Bank's policy by means of supporting data, and evaluated appropriateness via communications with management. • We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. • We checked accuracy of expected credit losses calculations. • To assess appropriateness of the Bank's determination of staging for credit risk, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. • We have reviewed disclosures made within the TFRS 9 framework in the unconsolidated financial statements of the Bank with respect to loans and related impairment provisions.



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

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

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

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

5. Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement in the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Bank’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Bank’s articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2024. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM
Independent Auditor

Istanbul, 30 January 2025



**THE UNCONSOLIDATED FINANCIAL REPORT OF QNB BANK A.Ş.
(FORMERLY KNOWN AS “QNB FİNANSBANK A.Ş.”)
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Bank's;

Address of the head office :Esetepe Mahallesi Büyükdere Caddesi Kristal Kule Binası No:215 Şişli - İSTANBUL
Phone number :(0 212) 318 50 00
Facsimile number :(0 212) 318 56 48
Web page :http://www.qnb.com.tr
E-mail address :investor.relations@qnb.com.tr

The unconsolidated financial report for the year ended 31 December 2024, designed by the Banking Regulation and Supervision Agency in line with the Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The audited accompanying unconsolidated financial statements and related disclosures and footnotes for the year ended 31 December 2024, 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 guidances, and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

Mehmet Ömer Arif Aras
Chairman of
the Board of Directors

Saleh Nofal
Member of the Board of
Directors and Chairman of the
Audit Committee

Ramzi T.A. Mari
Member of the Board of
Directors and of the
Audit Committee

Noor Mohd J. A. Al-Naimi
Member of the Board of
Directors and of the
Audit Committee

Durmuş Ali Kuzu
Member of the Board of
Directors and of the
Audit Committee

Osman Ömür Tan
General Manager
and Member of the
Board of Directors

Adnan Menderes Yayla
Executive Vice President
Financial Control and Planning,
Investor Relations

Ercan Sakarya
Managing Director
Financial Control and Planning

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Surname/Title : Mehmet Demirci / Financial Reporting Manager
Phone Number :(0 212) 319 69 22
Facsimile Number :(0 212) 318 55 78



INDEX

SECTION ONE

General Information

Page No

I.	Explanatory Note on the Establishment Date, Nature of Activities and History of the Bank	280
II.	Information About the Bank's Shareholding Structure, Shareholders who Individually or Jointly Have Power to Control the Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the year, If Any, and Information About the Controlling Group of the Bank	280-281
III.	Information About the Chairman and Members of Board of Directors, Members of Audit Committee, Managing Directors and Executive Vice Presidents; Any Changes and the Information About the Bank Shares They Hold and Their Responsibilities	281
IV.	Information About the Persons and Institutions That Have Qualified Shares	281
V.	Explanations on the Bank's Services and Activities	282
VI.	The Existing Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between the Bank and Its Subsidiaries	282

SECTION TWO

Unconsolidated Financial Statements

I.	Balance Sheet (Statement of Financial Position)	284-285
II.	Statement of Off-Balance Commitments and Contingencies	286-287
III.	Statement of Profit or Loss	288
IV.	Statement of Profit or Loss and Other Comprehensive Income	289
V.	Statement of Changes in Shareholders' Equity	290
VI.	Statement of Cash Flows	291
VII.	Unconsolidated Statement of Profit Appropriation	292

SECTION THREE

Accounting Policies

I.	Basis of Presentation	293-295
II.	Strategy for the Use of Financial Instruments and the Foreign Currency Transactions	296-297
III.	Information on Associates and Subsidiaries and Entities Under Common Control	297
IV.	Explanations on Futures and Options Contracts and Derivative Products	297-299
V.	Explanations on Interest Income and Expenses	299
VI.	Explanations on Fees and Commission Income and Expenses	300
VII.	Explanations and Disclosures on Financial Instruments	300-302
VIII.	Explanations on Expected Credit Losses	303-307
IX.	Explanations on Netting of Financial Instruments	308
X.	Derecognition of Financial Instruments	308-309
XI.	Explanations on Sales and Repurchase Agreements and Lending of Securities	309
XII.	Explanations on Assets Held for Sale and Discontinued Operations	310
XIII.	Explanations on Goodwill and Other Intangible Assets	310
XIV.	Explanations on Tangible Assets	310-311
XV.	Explanations on Leasing Transactions	311-313
XVI.	Explanations on Provisions and Contingent Liabilities	314
XVII.	Explanations on Obligations of the Bank Concerning Employee Benefits	314
XVIII.	Explanations on Taxation	314-317
XIX.	Explanations on Borrowings	317
XX.	Explanations on Share Issues	317
XXI.	Explanations on Confirmed Bills of Exchange and Acceptances	317
XXII.	Explanations on Government Incentives	317
XXIII.	Explanations on Segment Reporting	317-319
XXIV.	Profit Reserves and Profit Distribution	320
XXV.	Earnings per Share	320
XXVI.	Explanations on Other Matters	320

SECTION FOUR

Information Related to Financial Position and Risk Management of the Bank

I.	Explanations on Equity	321-327
II.	Explanations on Risk Management	327-368
III.	Explanations on Foreign Currency Exchange Rate Risk	368-371
IV.	Explanations on Interest Rate Risk	371-376
V.	Explanations on Position Risk of Equity Securities	376
VI.	Explanations on Remarks Regarding Liquidity Risk Management and Liquidity Coverage Ratio	377-385
VII.	Explanations on Leverage Ratio	386
VIII.	Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value	386-388
IX.	Explanations Related to Transactions Carried on Behalf of Others and Fiduciary Transactions	388

**SECTION FIVE**

Explanations and Disclosures on Unconsolidated Financial Statements

I.	Explanations and Disclosures Related to Assets	389-408
II.	Explanations and Disclosures Related to Liabilities	409-419
III.	Explanations and Disclosures Related to Off-Balance Sheet Items	420-425
IV.	Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income	426-434
V.	Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity	434-435
VI.	Explanations and Disclosures Related to Statement of Cash Flows	435-436
VII.	Explanations and Disclosures Related to the Bank's Risk Group	436-438
VIII.	Explanations on the Bank's Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives	438

SECTION SIX**Other Explanations**

I.	Other Explanations Related to the Bank's Operations	439
----	---	-----

SECTION SEVEN**Independent Auditor's Report**

I.	Explanations on the Independent Auditor's Report	440
II.	Explanations and Notes Prepared by Independent Auditors	440



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION ONE

GENERAL INFORMATION

I. Explanatory Note on the Establishment Date, Nature of Activities and History of the Bank

It was established in Istanbul on 26 October 1987 QNB Bank Anonim Şirketi (formerly known as “QNB Finansbank Anonim Şirketi”) (“Bank”) in accordance with the provisions of the Banking Law and the Turkish Commercial Code published in the Turkish Trade Registry Gazette No. 1857 dated 25 September 1987. The Bank’s shares have been listed on the Borsa Istanbul (“BIST”) since 1990.

II. Information About the Bank’s Shareholding Structure, Shareholders Who Individually or Jointly Have Power to Control The Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the Year, If Any, And Information About the Controlling Group of The Bank

As of 21 December 2015, a share sales agreement has been concluded between National Bank of Greece S.A. (NBG), principal shareholder of the Bank in previous periods, and Qatar National Bank Q.P.S.C. (“QNB”) regarding the direct or indirect sales of NBG’s shares, owned by affiliates and current associations of the Bank, at the rate of 99.81% to QNB at a price of EUR 2,750 million. On 7 April 2016, BRSA permitted to transfer shares at ratios of 82.23%, 7.90%, 9.68% owned by National Bank of Greece S.A., NBGI Holdings B.V. and NBG Finance (Dollar) PLC respectively in the capital of the Bank to Qatar National Bank S.A.Q. in the framework of paragraph 1 of article 18 of Banking Law and dropping direct share of National Bank of Greece S.A. to 0% through the aforementioned share transfer. Necessary permissions related to share transfer have been completed on 4 May 2016 before the Competition Authority while permission transactions regarding direct/indirect share ownership which shall realize in related affiliates of the Bank (QNB Finans Yatırım Menkul Değerler A.Ş., QNB Finans Portföy Yönetimi A.Ş., QNB Finans Finansal Kiralama A.Ş. and Cigna Sağlık, Hayat ve Emeklilik A.Ş.). Before the related official bodies on 12 May 2016 and share transfer of the Bank has been completed on 15 June 2016.

The Bank has decided to change the logo and the name of the company within the scope of the main shareholder change and brand strategies the new logo and the company name of The Bank has started to be used as “QNB FİNANSBANK” as of 20 October 2016 and the company name started to be used with the registration of the General Assembly Resolution dated 24 November 2016 on 30 November 2016. According to the decision dated 17 January 2018 which was taken by the General Assembly. The Bank’s trade name is changed from “FİNANS BANK A.Ş.” to “QNB FİNANSBANK A.Ş.” as of 19 January 2018. On 11 October 2024 with the registration of the Bank’s Extraordinary General Assembly resolutions dated 1 October 2024, the company name “QNB Finansbank” started to be used as “QNB” and the trade name “QNB Finansbank A.Ş.” started to be used as “QNB Bank A.Ş.”.

With the amendment of the articles of association of Cigna Sağlık Hayat ve Emeklilik A.Ş. (Cigna Finans Emeklilik) with the Extraordinary General Assembly dated 30 May 2023, the brand name was changed as QNB Sigorta and the trade name as QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. (QNB Sigorta).

With the amendment of the articles of association of QNB Finans Portföy Yönetimi Anonim Şirketi at the Extraordinary General Assembly dated 17 September 2024, the trade name was changed to QNB Portföy Yönetimi Anonim Şirketi.

With the amendment of the articles of association of QNB Finans Yatırım Menkul Değerler Anonim Şirketi at the Extraordinary General Assembly dated 24 September 2024, the trade name was changed to QNB Yatırım Menkul Değerler Anonim Şirketi.

With the amendment of the articles of association of QNB Finans Varlık Kiralama Anonim Şirketi at the Extraordinary General Assembly dated 24 September 2024, the trade name was changed to QNB Varlık Kiralama Anonim Şirketi.

With the amendment of the articles of association of QNB Finans Faktoring Anonim Şirketi at the Extraordinary General Assembly dated 25 September 2024, the trade name was changed to QNB Faktoring Anonim Şirketi.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

GENERAL INFORMATION (Continued)

II. Information About the Bank’s Shareholding Structure, Shareholders Who Individually or Jointly Have Power to Control The Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the Year, If Any, And Information About the Controlling Group of The Bank (Continued)

With the amendment of the articles of association of QNB Finans Finansal Kiralama Anonim Şirketi at the Extraordinary General Assembly dated 21 October 2024, the trade name was changed to QNB Finansal Kiralama Anonim Şirketi.

99.88% of shares of QNB Bank A.Ş. are controlled by Qatar National Bank as of 31 December 2024 and remaining 0.12% of related shares are public shares.

50% of QNB shares, which is the first commercial bank of Qatar founded in 1964 and has been traded at Qatar Stock Exchange since 1997, are owned by Qatar Investment Authority while 50% of related shares are public shares. QNB is operating over 28 countries mainly in Middle East and North Africa Regions as well as being the biggest bank of Qatar. Also with respect to total assets, total credits and total deposits QNB is the biggest bank of Middle East and North Africa.

III. Information About the Chairman and Members of Board of Directors, Members of Audit Committee, Managing Directors and Executive Vice Presidents; Any Changes, and the Information About the Bank Shares They Hold and Their Responsibilities

Name	Titles	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman	16 April 2010	PhD
Yousef Mahmoud H. N. Al-Neama	Deputy Chairman and Executive Member	28 May 2019	Masters
Saleh Nofal	Board Member and Chairman of the Audit Committee	30 March 2023	Graduate
Ramzi T. A. Mari	Board Member and Audit Committee Member	16 June 2016	Masters
Dr. Fatma Abdulla S.S. Al-Suwaidi	Board Member	16 June 2016	PhD
Dr. Durmuş Ali Kuzu	Board Member and Audit Committee Member	25 August 2016	PhD
Osman Ömür Tan	Board Member and General Manager	1 January 2022	Masters
Temel Güzeloğlu	Board Member	16 April 2010	Masters
Yeşim Gura	Board Member	30 March 2023	Masters
Adel Ali M. A. Al-Malki	Board Member	28 May 2019	Graduate
Noor Mohd J. A. Al-Naimi	Board Member and Audit Committee Member	22 June 2017	Masters
Adnan Menderes Yayla	Executive Vice President	20 May 2008	Masters
Köksal Çoban	Executive Vice President	19 August 2008	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	8 October 2010	PhD
Enis Kurtoğlu	Executive Vice President	14 May 2015	Masters
Murat Koraş	Executive Vice President	14 May 2015	Masters
Engin Turhan	Executive Vice President	14 June 2016	Masters
Cumhur Türkmen	Executive Vice President	11 June 2018	Masters
Cenk Akıncılar	Executive Vice President	21 January 2019	Graduate
Burçin Dünder Tüzün	Executive Vice President	1 December 2019	Masters
Zeynep Kulalar	Executive Vice President	1 December 2019	Graduate
Derya Düner	Executive Vice President	1 January 2020	Graduate
Ali Yılmaz	Executive Vice President	1 January 2020	Masters
İsmail Işık	Executive Vice President	18 January 2023	Masters
Sercan Kısas	Head of the Department of Internal Control and Compliance	1 January 2024	Masters
Ersin Emir	Head of Internal Audit	18 February 2011	Masters
Zeynep Aydın Demirkıran	Head of Risk Management	16 September 2011	Masters

The top level management listed above possesses immaterial number of shares of the Bank.

IV. Information About the Persons and Institutions That Have Qualified Shares

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
Qatar National Bank Q.P.S.C. (“QNB”)	3,345,892	99.88%	3,345,892	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

GENERAL INFORMATION (Continued)

V. Explanations on The Bank’s Services and Activities

The Bank’s activities include trade finance and corporate banking, private and retail banking, SME banking, currency, money markets and securities operations and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of 31 December 2024, the Bank operates through 425 domestic (31 December 2023 - 434), 1 abroad (31 December 2023 - 1) and 1 Atatürk Airport Free Trade Zone (31 December 2023 - 1) branches. As of 31 December 2024, the Bank has 11,949 (31 December 2023 - 11,756) employees.

VI. The Existing Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between the Bank and its Subsidiaries

None.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Balance Sheet (Statement of Financial Position) for the Year Ended 31 December 2024

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

I. BALANCE SHEET - ASSETS

Section 5 Part I	Current Period 31.12.2024			Prior Period 31.12.2023		
	TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (NET)	273,713,221	158,184,304	431,897,525	123,149,804	144,661,317	267,811,121
1.1. Cash and Cash Equivalents	143,664,945	124,877,417	268,542,362	65,570,536	119,528,818	185,099,354
1.1.1. Cash and Balances with The Central Bank (1)	143,519,916	109,580,869	253,100,785	59,793,397	102,786,314	162,579,711
1.1.2. Banks (3)	9,785	15,316,083	15,325,868	47,396	16,766,307	16,813,703
1.1.3. Money Market Placement (4)	150,531	-	150,531	5,736,581	-	5,736,581
1.1.4. Expected Credit Losses (-)	15,287	19,535	34,822	6,838	23,803	30,641
1.2. Financial Assets at Fair Value Through Profit or Loss (2)	9,746,310	2,454,695	12,201,005	1,261,340	1,100,629	2,361,969
1.2.1. Government Debt Securities	8,806,321	1,564,852	10,371,173	602,135	488,760	1,090,895
1.2.2. Equity Securities	408,321	-	408,321	274,661	-	274,661
1.2.3. Other Financial Assets	531,668	889,843	1,421,511	384,544	611,869	996,413
1.3. Financial Assets at Fair Value Through Other Comprehensive Income (5)	116,058,981	24,151,851	140,210,832	49,557,935	17,794,151	67,352,086
1.3.1. Government Debt Securities	116,033,934	23,811,538	139,845,472	49,557,935	17,794,151	67,352,086
1.3.2. Equity Securities	-	17,104	17,104	-	-	-
1.3.3. Other Financial Assets	25,047	323,209	348,256	-	-	-
1.4. Derivative Financial Assets (12)	4,242,985	6,700,341	10,943,326	6,759,993	6,237,719	12,997,712
1.4.1. Derivative Financial Assets at Fair Value Through Profit or Loss	3,330,553	4,248,519	7,579,072	5,633,449	3,281,804	8,915,253
1.4.2. Derivative Financial Assets at Fair Value Through Other Comprehensive Income	912,432	2,451,822	3,364,254	1,126,544	2,955,915	4,082,459
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)	690,876,123	308,678,460	999,554,583	466,587,932	206,523,859	673,111,791
2.1. Loans (6)	632,318,353	278,680,341	910,998,694	414,264,230	183,783,922	598,048,152
2.2. Lease Receivables (11)	-	-	-	-	-	-
2.3. Factoring Receivables	-	-	-	-	-	-
2.4. Other Financial Assets Measured at Amortized Cost (7)	92,712,302	36,471,527	129,183,829	72,305,609	29,788,256	102,093,865
2.4.1. Government Debt Securities	92,712,302	36,326,963	129,039,265	72,305,609	29,669,309	101,974,918
2.4.2. Other Financial Assets	-	144,564	144,564	-	118,947	118,947
2.5. Expected Credit Losses (-)	34,154,532	6,473,408	40,627,940	19,981,907	7,048,319	27,030,226
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (NET) (15)	-	-	-	-	-	-
3.1. Held for Sale Purpose	-	-	-	-	-	-
3.2. Related to Discontinued Operations	-	-	-	-	-	-
IV. EQUITY INVESTMENTS	19,587,542	-	19,587,542	9,974,398	-	9,974,398
4.1. Investments in Associates (Net) (8)	53,737	-	53,737	53,722	-	53,722
4.1.1. Associates Valued Based on Equity Method	-	-	-	-	-	-
4.1.2. Unconsolidated Associates	53,737	-	53,737	53,722	-	53,722
4.2. Subsidiaries (Net) (9)	19,531,005	-	19,531,005	9,917,876	-	9,917,876
4.2.1. Unconsolidated Financial Subsidiaries	19,024,959	-	19,024,959	9,789,830	-	9,789,830
4.2.2. Unconsolidated Non-Financial Subsidiaries	506,046	-	506,046	128,046	-	128,046
4.3. Joint Ventures (Net) (10)	2,800	-	2,800	2,800	-	2,800
4.3.1. Joint Ventures Valued Based on Equity Method	-	-	-	-	-	-
4.3.2. Unconsolidated Joint Ventures	2,800	-	2,800	2,800	-	2,800
V. PROPERTY AND EQUIPMENT (NET)	21,280,694	609	21,281,303	14,484,108	487	14,484,595
VI. INTANGIBLE ASSETS (NET)	4,407,812	-	4,407,812	2,189,315	-	2,189,315
6.1. Goodwill	-	-	-	-	-	-
6.2. Other	4,407,812	-	4,407,812	2,189,315	-	2,189,315
VII. INVESTMENT PROPERTY (NET) (13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET (14)	-	-	-	-	-	-
IX. DEFERRED TAX ASSET (14)	5,365,515	-	5,365,515	6,581,490	-	6,581,490
X. OTHER ASSETS (NET) (16)	27,834,693	1,940,795	29,775,488	12,388,685	1,275,172	13,663,857
TOTAL ASSETS	1,043,065,600	468,804,168	1,511,869,768	635,355,732	352,460,835	987,816,567

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Balance Sheet (Statement of Financial Position) for the Year Ended 31 December 2024

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

I. BALANCE SHEET - LIABILITIES AND EQUITY

I.	Section 5 Part II	Current Period 31.12.2024			Prior Period 31.12.2023			
		TL	FC	TOTAL	TL	FC	TOTAL	
I.	DEPOSITS	(1)	605,589,925	274,633,404	880,223,329	387,802,236	244,247,872	632,050,108
II.	FUNDS BORROWED	(3)	639,909	155,679,038	156,318,947	473,527	104,350,115	104,823,642
III.	MONEY MARKETS	(4)	100,995,673	48,467,653	149,463,326	1,099,251	27,736,364	28,835,615
IV.	SECURITIES ISSUED (NET)	(5)	2,736,294	64,445,776	67,182,070	3,814,855	42,134,323	45,949,178
4.1.	Bills		2,736,294	18,425,962	21,162,256	3,814,855	13,001,776	16,816,631
4.2.	Asset Backed Securities		-	-	-	-	-	-
4.3.	Bonds		-	46,019,814	46,019,814	-	29,132,547	29,132,547
V.	FUNDS		-	-	-	-	-	-
5.1.	Borrower Funds		-	-	-	-	-	-
5.2.	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT & LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		6,604,530	4,744,276	11,348,806	1,436,361	3,490,719	4,927,080
7.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(2)	4,611,548	3,701,955	8,313,503	1,331,159	3,121,513	4,452,672
7.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(8)	1,992,982	1,042,321	3,035,303	105,202	369,206	474,408
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (NET)	(7)	1,678,670	131	1,678,801	1,150,029	1,213	1,151,242
X.	PROVISIONS	(9)	10,633,204	136,995	10,770,199	11,648,908	187,976	11,836,884
10.1.	Restructuring Provisions		-	-	-	-	-	-
10.2.	Reserve for Employee Benefits		3,753,455	38,387	3,791,842	2,748,658	31,702	2,780,360
10.3.	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4.	Other Provisions		6,879,749	98,608	6,978,357	8,900,250	156,274	9,056,524
XI.	CURRENT TAX LIABILITY	(10)	3,194,270	-	3,194,270	2,141,659	-	2,141,659
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII.	LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
13.1.	Held for Sale		-	-	-	-	-	-
13.2.	Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	(12)	-	32,298,839	32,298,839	-	26,948,856	26,948,856
14.1.	Subordinated Loans		-	21,568,852	21,568,852	-	17,997,595	17,997,595
14.2.	Other Debt Instruments		-	10,729,987	10,729,987	-	8,951,261	8,951,261
XV.	OTHER LIABILITIES		71,594,293	8,795,577	80,389,870	35,520,714	12,013,203	47,533,917
XVI.	SHAREHOLDERS' EQUITY		118,339,829	661,482	119,001,311	81,648,407	(30,021)	81,618,386
16.1.	Paid-in Capital	(13)	3,350,000	-	3,350,000	3,350,000	-	3,350,000
16.2.	Capital Reserves		714	-	714	714	-	714
16.2.1.	Share Premium	(14)	714	-	714	714	-	714
16.2.2.	Share Cancellation Profits		-	-	-	-	-	-
16.2.3.	Other Capital Reserves		-	-	-	-	-	-
16.3.	Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss		10,598,225	-	10,598,225	7,329,944	-	7,329,944
16.4.	Other Comprehensive Income/Expense Items Reclassified to Profit or Loss		(3,160,475)	661,482	(2,498,993)	(409,275)	(30,021)	(439,296)
16.5.	Profit Reserves		71,377,024	-	71,377,024	38,204,582	-	38,204,582
16.5.1.	Legal Reserves		771,684	-	771,684	771,684	-	771,684
16.5.2.	Status Reserves		-	-	-	-	-	-
16.5.3.	Extraordinary Reserves		70,605,340	-	70,605,340	37,432,898	-	37,432,898
16.5.4.	Other Profit Reserves		-	-	-	-	-	-
16.6.	Profit/Loss		36,174,341	-	36,174,341	33,172,442	-	33,172,442
16.6.1.	Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2.	Current Period's Net Profit/Loss		36,174,341	-	36,174,341	33,172,442	-	33,172,442
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		922,006,597	589,863,171	1,511,869,768	526,735,947	461,080,620	987,816,567

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Statement of Off-Balance Sheet Commitments and Contingencies for the Year Ended 31 December 2024

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

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

	Section 5 Part III	Current Period 31.12.2024			Prior Period 31.12.2023		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1,372,749,112	1,080,692,152	2,453,441,264	906,414,157	920,386,613	1,826,800,770
I. GUARANTEES	(1), (2), (3), (4)	68,928,481	73,407,316	142,335,797	48,589,723	54,274,597	102,864,320
1.1. Letters of guarantee		62,237,163	46,099,481	108,336,644	44,117,603	34,125,730	78,243,333
1.1.1. Guarantees subject to State Tender Law		1,188,060	360,738	1,548,798	1,053,713	296,168	1,349,881
1.1.2. Guarantees given for foreign trade operations		27,854,087	45,738,743	73,592,830	19,387,931	33,829,562	53,217,493
1.1.3. Other letters of guarantee		33,195,016	-	33,195,016	23,675,959	-	23,675,959
1.2. Bank loans		6,659,144	11,921,949	18,581,093	4,424,551	8,634,539	13,059,090
1.2.1. Import letter of acceptance		6,659,144	11,921,949	18,581,093	4,424,551	8,634,539	13,059,090
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		32,174	15,385,886	15,418,060	47,569	11,514,328	11,561,897
1.3.1. Documentary letters of credit		32,174	12,115,017	12,147,191	47,569	10,658,640	10,706,209
1.3.2. Other letters of credit		-	3,270,869	3,270,869	-	855,688	855,688
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	-	-	-
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		1,014,118,120	54,165,765	1,068,283,885	571,535,563	103,305,713	674,841,276
2.1. Irrevocable commitments	(1)	905,586,551	49,048,177	954,634,728	485,304,663	9,176,161	494,480,824
2.1.1. Forward asset purchase commitments		15,532,200	42,268,303	57,800,503	2,941,702	8,020,668	10,962,370
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		170,600,580	3,528	170,604,108	93,558,042	2,944	93,560,986
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		9,978,545	-	9,978,545	6,684,472	-	6,684,472
2.1.8. Tax and fund liabilities from export commitments		638,126	-	638,126	279,060	-	279,060
2.1.9. Commitments for credit card expenditure limits		701,154,935	-	701,154,935	376,605,042	-	376,605,042
2.1.10. Commitments for promotions related with credit cards and banking activities		266,571	-	266,571	211,656	-	211,656
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		7,415,594	6,776,346	14,191,940	5,024,689	1,152,549	6,177,238
2.2. Revocable commitments		108,531,569	5,117,588	113,649,157	86,230,900	94,129,552	180,360,452
2.2.1. Revocable loan granting commitments		108,531,569	5,117,588	113,649,157	86,230,900	94,129,552	180,360,452
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5), (6)	289,702,511	953,119,071	1,242,821,582	286,288,871	762,806,303	1,049,095,174
3.1. Derivative financial instruments for hedging purposes		66,760,432	247,975,909	314,736,341	19,524,240	184,897,927	204,422,167
3.1.1. Fair value hedge		15,312,045	69,293,755	84,605,800	696,365	33,716,807	34,413,172
3.1.2. Cash flow hedge		51,448,387	178,682,154	230,130,541	18,827,875	151,181,120	170,008,995
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		222,942,079	705,143,162	928,085,241	266,764,631	577,908,376	844,673,007
3.2.1. Forward foreign currency buy/sell transactions		33,959,665	47,955,670	81,915,335	19,577,116	32,006,901	51,584,017
3.2.1.1. Forward foreign currency transactions-buy		4,654,510	33,839,247	38,493,757	18,911,051	7,747,196	26,658,247
3.2.1.2. Forward foreign currency transactions-sell		29,305,155	14,116,423	43,421,578	666,065	24,259,705	24,925,770
3.2.2. Swap transactions related to foreign currency and interest rates		168,251,470	601,062,765	769,314,235	231,627,564	530,103,983	761,731,547
3.2.2.1. Foreign currency swap-buy		77,930	187,558,832	187,636,762	76,658	218,997,022	219,073,680
3.2.2.2. Foreign currency swap-sell		38,405,742	156,217,217	194,622,959	138,769,508	85,720,981	224,490,489
3.2.2.3. Interest rate swaps-buy		64,883,899	128,643,358	193,527,257	46,390,699	112,692,990	159,083,689
3.2.2.4. Interest rate swaps-sell		64,883,899	128,643,358	193,527,257	46,390,699	112,692,990	159,083,689
3.2.3. Foreign currency, interest rate and securities options		20,388,544	55,846,295	76,234,839	7,553,316	7,053,806	14,607,122
3.2.3.1. Foreign currency options-buy		4,386,608	32,716,538	37,103,146	7,212,979	529,529	7,742,508
3.2.3.2. Foreign currency options-sell		16,001,936	23,129,757	39,131,693	340,337	6,524,277	6,864,614
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Statement of Off-Balance Sheet Commitments and Contingencies for the Year Ended 31 December 2024

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

	Section 5 Part III	Current Period 31.12.2024			Prior Period 31.12.2023		
		TL	FC	TOTAL	TL	FC	TOTAL
3.2.3.6.	Securities options-sell	-	-	-	-	-	-
3.2.4.	Foreign currency futures	342,400	278,432	620,832	8,006,635	7,566,158	15,572,793
3.2.4.1.	Foreign currency futures-buy	278,663	53,802	332,465	8,006,635	-	8,006,635
3.2.4.2.	Foreign currency futures-sell	63,737	224,630	288,367	-	7,566,158	7,566,158
3.2.5.	Interest rate futures	-	-	-	-	-	-
3.2.5.1.	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2.	Interest rate futures-sell	-	-	-	-	-	-
3.2.6.	Other	-	-	-	-	1,177,528	1,177,528
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	4,062,254,583	1,557,535,712	5,619,790,295	2,645,744,535	1,183,177,946	3,828,922,481
IV.	ITEMS HELD IN CUSTODY	186,707,542	163,867,632	350,575,174	95,659,734	42,252,943	137,912,677
4.1.	Customer Fund and Portfolio Assets	124,042,975	123,705,730	247,748,705	50,559,811	-	50,559,811
4.2.	Investment securities held in custody	7,197,478	31,289,577	38,487,055	1,829,329	35,898,115	37,727,444
4.3.	Checks received for collection	47,554,597	3,587,290	51,141,887	38,107,346	2,363,435	40,470,781
4.4.	Commercial notes received for collection	7,912,492	2,649,524	10,562,016	5,163,248	1,736,736	6,899,984
4.5.	Other assets received for collection	-	-	-	-	-	-
4.6.	Assets received for public offering	-	-	-	-	-	-
4.7.	Other items under custody	-	2,635,511	2,635,511	-	2,254,657	2,254,657
4.8.	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	2,199,855,869	730,804,542	2,930,660,411	1,431,923,260	636,309,351	2,068,232,611
5.1.	Marketable securities	11,029,178	35,956,788	46,985,966	6,113,180	31,504,275	37,617,455
5.2.	Guarantee notes	1,942,813	575,537	2,518,350	951,802	431,079	1,382,881
5.3.	Commodity	1,878,689	-	1,878,689	1,167,097	-	1,167,097
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	553,311,156	330,679,284	883,990,440	348,159,077	298,122,947	646,282,024
5.6.	Other pledged items	1,631,694,033	363,592,933	1,995,286,966	1,075,532,104	306,251,050	1,381,783,154
5.7.	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	1,675,691,172	662,863,538	2,338,554,710	1,118,161,541	504,615,652	1,622,777,193
	TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)	5,435,003,695	2,638,227,864	8,073,231,559	3,552,158,692	2,103,564,559	5,655,723,251

The accompanying notes are an integral part of these financial statements



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Statement of Profit or Loss for the Year Ended 31 December 2024

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

III. STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS		Part 5 Note IV	Current Period 01.01 -31.12.2024	Prior Period 01.01 - 31.12.2023
I.	INTEREST INCOME	(1)	302,966,443	121,756,615
1.1.	Interest income on loans		212,923,326	83,669,716
1.2.	Interest income on reserve deposits		19,605,106	412,862
1.3.	Interest income on banks		3,712,499	897,426
1.4.	Interest income on money market transactions		608,268	1,041,073
1.5.	Interest income on securities portfolio		65,547,226	35,232,750
1.5.1.	Financial assets measured at FVTPL		1,533,509	389,737
1.5.2.	Financial assets measured at FVOCI		35,223,853	10,166,347
1.5.3.	Financial assets measured at amortized cost		28,789,864	24,676,666
1.6.	Financial lease income		-	-
1.7.	Other interest income		570,018	502,788
II.	INTEREST EXPENSE (-)	(2)	236,169,422	87,207,758
2.1.	Interest on deposits		192,222,073	73,525,946
2.2.	Interest on funds borrowed		12,859,203	7,637,112
2.3.	Interest on money market transactions		22,800,451	2,547,746
2.4.	Interest on securities issued		7,020,913	2,888,108
2.5.	Interests on leasings		311,511	138,951
2.6.	Other interest expenses		955,271	469,895
III.	NET INTEREST INCOME (I - II)		66,797,021	34,548,857
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		49,642,031	18,317,334
4.1.	Fees and commissions received		61,688,235	23,497,609
4.1.1.	Non-cash loans		1,367,186	890,168
4.1.2.	Others		60,321,049	22,607,441
4.2.	Fees and commissions paid (-)		12,046,204	5,180,275
4.2.1.	Non-cash loans		1,816	1,672
4.2.2.	Others		12,044,388	5,178,603
V.	DIVIDEND INCOME	(3)	18,048	11,227
VI.	TRADING INCOME / LOSS (NET)	(4)	(29,888,057)	12,015,576
6.1.	Trading income/loss on securities		1,157,210	2,134,564
6.2.	Income/loss from derivative financial transactions		(39,779,065)	(9,340,711)
6.3.	Foreign exchange income/loss		8,733,798	19,221,723
VII.	OTHER OPERATING INCOME	(5)	1,043,409	2,376,629
VIII.	TOTAL OPERATING GROSS PROFIT (III+IV+V+VI+VII)		87,612,452	67,269,623
IX.	EXPECTED CREDIT LOSSES (-)	(6)	17,422,026	11,997,737
X.	OTHER PROVISION LOSSES (-)		(1,917,781)	2,851,339
XI.	PERSONNEL EXPENSES (-)		16,290,275	8,585,015
XII.	OTHER OPERATING EXPENSES (-)	(7)	18,175,491	9,644,550
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		37,642,441	34,190,982
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		6,670,444	3,541,658
XVI.	INCOME/LOSS ON NET MONETARY POSITION		-	-
XVII.	OPERATING PROFIT/LOSS BEFORE TAXES (XII+...+XV)	(8)	44,312,885	37,732,640
XVIII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	(9)	8,138,544	4,560,198
18.1.	Current tax charge		6,572,107	9,367,050
18.2.	Deferred tax charge (+)		4,570,951	3,301,966
18.3.	Deferred tax credit (-)		(3,004,514)	(8,108,818)
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	(10)	36,174,341	33,172,442
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1.	Income from assets held for sale		-	-
20.2.	Income from sale of associates, subsidiaries and joint-ventures		-	-
20.3.	Others		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1.	Expenses on assets held for sale		-	-
21.2.	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
21.3.	Others		-	-
XXII.	PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XX+XXI)		-	-
XXIII.	PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-
23.1.	Current tax charge		-	-
23.2.	Deferred tax charge (+)		-	-
23.3.	Deferred tax credit (-)		-	-
XXIV.	NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	(11)	36,174,341	33,172,442
			1.0798	0.9902

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2024

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Current Period 01.01 - 31.12.2024	Prior Period 01.01 - 31.12.2023
I.	CURRENT PERIOD PROFIT/LOSS	36,174,341	33,172,442
II.	OTHER COMPREHENSIVE INCOME	1,208,584	4,180,415
2.1	Other Income/Expense Items not Reclassified to Profit or Loss	3,268,281	8,002,102
2.1.1.	Revaluation Surplus on Tangible Assets	3,385,589	7,914,871
2.1.2.	Revaluation Surplus on Intangible Assets	-	-
2.1.3.	Defined Benefit Plans' Actuarial Income/Loss	(165,777)	53,860
2.1.4.	Other Income/Expense Items not Reclassified to Profit or Loss	(1,264)	7,234
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	49,733	26,137
2.2.	Other Income/Expense Items Reclassified to Profit or Loss	(2,059,697)	(3,821,687)
2.2.1.	Foreign Currency Translation Differences	-	-
2.2.2.	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(3,910,750)	(4,603,029)
2.2.3.	Income/Expense from Cash Flow Hedges	978,348	(777,885)
2.2.4.	Income/Expense on Hedges of Net Investments in Foreign Operations	-	-
2.2.5.	Other Income/Expense Items Reclassified to Profit or Loss	(7,015)	165,053
2.2.6.	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	879,720	1,394,174
III.	TOTAL COMPREHENSIVE INCOME (I+II)	37,382,925	37,352,857

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Statement of Changes in Shareholders' Equity for the Year Ended 31 December 2024

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY	Section 5 Part V			Share Cancellation Profits		Other Capital Reserves		Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss		Other Comprehensive Income/Expense Items Reclassified to Profit or Loss			Profit Reserves		Prior Periods' Profit/Loss		Current Period's Net Profit/Loss		Total Equity
	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Reclassification to Profit or Loss Defined Benefit Plans' Actuarial Incomes/Losses	Other ^(*)	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Other ^(**)	Profit Reserves	Other ^(**)	Profit Reserves	Other ^(**)	Profit/Loss	Profit/Loss	Total Equity		
I. Prior Period End Balance	3,350,000	714	-	-	-	(634,426)	(37,732)	-	1,851,783	1,530,608	20,980,816	17,223,766	-	17,223,766	-	-	-	44,265,529	
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1. Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2. Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Balances at Beginning of Period (I+II)	3,350,000	714	-	-	-	(634,426)	(37,732)	-	1,851,783	1,530,608	20,980,816	17,223,766	-	17,223,766	-	-	-	44,265,529	
IV. Total Comprehensive Income	-	-	-	-	7,914,871	79,997	7,234	-	(3,345,573)	(476,114)	-	-	-	-	33,172,442	-	-	37,352,857	
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Increase/Decrease by Others Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	17,223,766	-	-	-	-	
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.1. Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2. Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	17,223,766	-	-	-	-	
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period (III+IV...+X+XI)	3,350,000	714	-	-	7,914,871	(554,429)	(30,498)	-	(1,493,790)	1,054,494	38,204,582	33,172,442	-	33,172,442	-	-	-	81,618,386	

CHANGES IN SHAREHOLDERS' EQUITY	Section 5 Part V			Share Cancellation Profits		Other Capital Reserves		Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss		Other Comprehensive Income/Expense Items Reclassified to Profit or Loss			Profit Reserves		Prior Periods' Profit/Loss		Current Period's Net Profit/Loss		Total Equity
	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible assets	Reclassification to Profit or Loss Defined Benefit Plans' Actuarial Incomes/Losses	Other ^(*)	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Other ^(**)	Profit Reserves	Other ^(**)	Profit Reserves	Other ^(**)	Profit/Loss	Profit/Loss	Total Equity		
I. Prior Period End Balance	3,350,000	714	-	-	-	(554,429)	(30,498)	-	(1,493,790)	1,054,494	38,204,582	33,172,442	-	33,172,442	-	-	-	81,618,386	
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1. Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2. Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Balances at Beginning of Period (I+II)	3,350,000	714	-	-	-	(554,429)	(30,498)	-	(1,493,790)	1,054,494	38,204,582	33,172,442	-	33,172,442	-	-	-	81,618,386	
IV. Total Comprehensive Income	-	-	-	-	3,385,589	(116,044)	(1,264)	-	(2,737,525)	677,828	-	-	-	-	36,174,341	-	-	37,382,925	
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Increase/Decrease by Others Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	33,172,442	-	-	-	-	
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.1. Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2. Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	33,172,442	-	-	-	-	
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period (III+IV...+X+XI)	3,350,000	714	-	-	11,300,460	(670,473)	(31,762)	-	(4,231,315)	1,732,322	71,377,024	36,174,341	-	36,174,341	-	-	-	119,001,311	

(*) Accumulated amounts of share of investments accounted for by the equity method that cannot be classified as profit/loss from other comprehensive income that will not be reclassified to other profit or loss.

(**) Accumulated amount of cash flow hedge incomes/losses, equity attributable to equity holders of the Bank for profit or loss from other comprehensive income and other comprehensive income that will not be reclassified to other profit or loss.

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Statement of Cash Flows for the Year Ended 31 December 2024

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

VI. STATEMENT OF CASH FLOWS

	Current Period 01.01 - 31.12.2024	Prior Period 01.01 - 31.12.2023
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS		
1.1. Operating Profit Before Changes in Operating Assets and Liabilities	55,661,815	81,402,568
1.1.1. Interest Received	269,791,137	89,137,466
1.1.2. Interest Paid	(238,227,004)	(72,805,405)
1.1.3. Dividend Received	18,048	11,227
1.1.4. Fees and Commissions Received	61,753,458	23,551,509
1.1.5. Other Income	1,043,357	1,057,107
1.1.6. Collections From Previously Written Off Loans	7,133,860	3,111,751
1.1.7. Payments To Personnel and Service Suppliers	(14,455,570)	(7,479,533)
1.1.8. Taxes Paid	(9,046,240)	(8,985,561)
1.1.9. Others	(22,349,231)	53,804,007
1.2. Changes in Operating Assets and Liabilities	27,418,712	(37,186,546)
1.2.1. Net (Increase) Decrease in Financial Assets Measured at Fair Value Through Profit/Loss	(9,710,922)	(1,059,403)
1.2.2. Net (Increase) Decrease in Due From Banks	(54,424,753)	(25,961,313)
1.2.3. Net (Increase) Decrease in Loans	(260,622,273)	(155,549,608)
1.2.4. Net (Increase) Decrease in Other Assets	(20,617,081)	(8,045,574)
1.2.5. Net Increase (Decrease) in Bank Deposits	26,284,793	8,129,678
1.2.6. Net Increase (Decrease) in Other Deposits	185,784,678	142,510,754
1.2.7. Net increase (Decrease) in financial liabilities at fair value through profit or loss	-	-
1.2.8. Net Increase (Decrease) in Funds Borrowed	2,882,955	(13,559,251)
1.2.9. Net Increase (Decrease) in Matured Payables	-	-
1.2.10. Net Increase (Decrease) in Other Liabilities	157,841,315	16,348,171
I. Net Cash Provided From / (Used in) Banking Operations	83,080,527	44,216,022
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided From / (Used in) Investing Activities	(74,244,293)	(35,056,995)
2.1. Purchase Of Entities Under Common Control, Associates and Subsidiaries	(1,993,986)	(981,000)
2.2. Sale of Entities Under Common Control, Associates and Subsidiaries	-	-
2.3. Fixed Assets Purchases	(8,348,909)	(5,250,158)
2.4. Fixed Assets Sales	264,499	1,055,691
2.5. Purchase of Financial Assets Measured at Fair Value Through Other Comprehensive Income	(161,889,518)	(49,140,423)
2.6. Sale of Financial Assets Measured at Fair Value Through Other Comprehensive Income	95,769,016	29,630,115
2.7. Purchase of Financial Assets Measured at Amortized Cost	(19,551,082)	(33,404,616)
2.8. Sale of Financial Assets Measured at Amortized Cost	21,505,687	23,033,396
2.9. Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided From / (Used in) Financing Activities	29,700,267	34,225,180
3.1. Cash Obtained From Funds Borrowed and Securities Issued	174,525,054	97,257,338
3.2. Cash Used for Repayment of Funds Borrowed and Securities Issued	(143,796,912)	(62,458,213)
3.3. Capital Increase	-	-
3.4. Dividends Paid	-	-
3.5. Payments for Finance Leases	(1,027,875)	(575,850)
3.6. Other	-	1,905
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	763,772	2,214,140
V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	39,300,273	45,598,347
VI. Cash and Cash Equivalents at Beginning of the Period	118,379,765	72,781,418
VII. Cash and Cash Equivalents at End of the Period (V+VI)	157,680,038	118,379,765

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Unconsolidated Statement of Profit Appropriation for the Year Ended 31 December 2024

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

VII. UNCONSOLIDATED STATEMENT OF PROFIT APPROPRIATION

		Current Period	Prior Period
		31.12.2024 (*)	31.12.2023
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1.	CURRENT YEAR INCOME	44,312,885	37,732,640
1.2.	TAXES AND DUTIES PAYABLE (-)	8,138,544	4,560,198
1.2.1.	Corporate Tax (Income Tax)	6,572,107	9,367,050
1.2.2.	Income Withholding Tax	-	-
1.2.3.	Other Taxes And Duties ^(*)	1,566,437	(4,806,852)
A.	NET INCOME FOR THE YEAR (1.1.-1.2.)	36,174,341	33,172,442
1.3.	PRIOR YEAR LOSSES (-)	-	-
1.4.	FIRST LEGAL RESERVES (-)	-	-
1.5.	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3.+1.4.+1.5.)]	36,174,341	33,172,442
1.6.	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1.	To Owners Of Ordinary Shares	-	-
1.6.2.	To Owners Of Privileged Shares	-	-
1.6.3.	To Owners Of Preferred Shares	-	-
1.6.4.	To Profit Sharing Bonds	-	-
1.6.5.	To Holders Of Profit And (Loss) Sharing Certificates	-	-
1.7.	DIVIDENDS TO PERSONNEL (-)	-	-
1.8.	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9.	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1.	To Owners Of Ordinary Shares	-	-
1.9.2.	To Owners Of Privileged Shares	-	-
1.9.3.	To Owners Of Preferred Shares	-	-
1.9.4.	To Profit Sharing Bonds	-	-
1.9.5.	To Holders Of Profit And (Loss) Sharing Certificates	-	-
1.10.	SECOND LEGAL RESERVES (-)	-	-
1.11.	STATUTORY RESERVES (-)	-	-
1.12.	EXTRAORDINARY RESERVES	-	33,172,163
1.13.	OTHER RESERVES	-	-
1.14.	SPECIAL FUNDS	-	279
II.	DISTRIBUTION OF RESERVES		
2.1.	APPROPRIATED RESERVES	-	-
2.2.	SECOND LEGAL RESERVES (-)	-	-
2.3.	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1.	To Owners Of Ordinary Shares	-	-
2.3.2.	To Owners Of Privileged Shares	-	-
2.3.3.	To Owners Of Preferred Shares	-	-
2.3.4.	To Profit Sharing Bonds	-	-
2.3.5.	To Holders Of Profit And (Loss) Sharing Certificates	-	-
2.4.	DIVIDENDS TO PERSONNEL (-)	-	-
2.5.	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE		
3.1.	TO OWNERS OF ORDINARY SHARES	1.0798	0.9902
3.2.	TO OWNERS OF ORDINARY SHARES (%)	107.98%	99.02%
3.3.	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4.	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1.	TO OWNERS OF ORDINARY SHARES	-	-
4.2.	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3.	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4.	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

^(*) Decision regarding the profit distribution for the 2024 will be taken at the General Meeting.

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Law published in the Official Gazette no. 26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”) and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight, Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Financial Statements to be Disclosed to Public by Banks and Explanations and Footnotes Thereof” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” and amendments to this Communiqué.

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified. The amounts expressed in foreign currency is indicated by the full amount.

Explanation for convenience translation to English

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these 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.

2. Accounting policies and valuation principles used in the preparation of the financial statements

The accounting policies and valuation principles used in the preparation of the financial statements are determined and applied, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”). The accounting policies and valuation principles related with current period are explained in Notes II to XXVI below.

Financial statements are prepared on the historical cost basis, excluding financial assets and liabilities at fair value through profit or loss, financial assets and liabilities at fair value through other comprehensive income and subsidiaries and joint ventures accounted for using the equity method.

In preparing the unconsolidated financial statements in accordance with TFRS, the Bank’s management is required to make assumptions and estimations about the assets and liabilities in the balance sheet and contingent matters as of the balance sheet date. These assumptions and estimations are reviewed regularly, necessary corrections are made and the details of the effects of these adjustments are reflected in the profit or loss statement as explained in the related footnotes.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

I. Basis of Presentation (Continued)

2. Accounting policies and valuation principles used in the preparation of the financial statements (Continued)

2.1. Other

In Financial Reporting Standard in Hyperinflationary Economies (“TAS 29”), the threshold value to be taken as a basis for determining whether there is hyperinflation in an economy by considering the economies with high inflation and the financial statements of the enterprises whose functional currency is the currency of a hyperinflationary economy are related to inflation explains how to fix it. In the announcement dated 23 November 2023, issued by the Public Oversight, Accounting and Auditing Standards Authority, flexibility has been granted to competent institutions or organizations authorized to regulate and supervise in their respective fields to determine different transition dates for the application of inflation accounting for the financial statements of companies subject to independent audit. In this context, BRSA has determined the transition date of banks, financial leasing, factoring, financing, savings financing and asset management companies to TAS 29 as 1 January 2025 with the decision numbered 10825 and dated 11 January 2024, and no inflation adjustment has been made according to TAS 29 while preparing the financial statements as of 31 December 2024. In its decision dated 5 December 2024, and numbered 11021, the Banking Regulation and Supervision Agency has decided that inflation accounting will not be applied by banks, as well as by financial leasing, factoring, financing, savings financing, and asset management companies in 2025.

The TFRS 17 Insurance Contracts Standard was published by the Public Oversight, Accounting and Auditing Standards Authority in the Official Gazette dated 16 February 2019, and numbered 30688, and with this announcement, the mandatory effective date of the standard was postponed to accounting periods beginning on or after 1 January 2024. Based on POA’s letter dated 15 February 2024, and numbered 22667, the effective date of TFRS 17 has been further postponed to 1 January 2025. With the recent announcement made by POA, the mandatory effective date of the standard has been postponed to accounting periods beginning on or after 1 January 2026. This standard replaces TFRS 4, which currently allows for a wide range of applications. In this regard, the bank has not applied the relevant standard in its unconsolidated financial statements for its subsidiary, QNB Sigorta.

Regarding the partnership share in QNB Sağlık Hayat ve Emeklilik A.Ş., whose 49% capital is owned by the Bank, with the decision of Bank’s Board of Directors, 22,950,000 shares with a total nominal value of TL 22,950,000 which is owned by Cigna Nederland Gamma BV and corresponds to 51% of the capital of QNB Sağlık Hayat ve Emeklilik A.Ş., was decided to be purchased with a price of TL 981,000,000 (in full TL). In this context, a Share Purchase Agreement was signed with Cigna Nederland Gamma BV on 21 October 2022. The said share transfer transaction was realized with the General Assembly held on 21 December 2022, after the necessary permissions were obtained, but due to the fact that the original of the document subject to the transfer could not be found, the decision was made by the Bank for the cancellation of the document. The registration of the General Assembly regarding the share transfer was completed on 13 January 2023, and as of this date, the acquisition has been completed.

QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş., which was accounted for by the equity method as a joint venture in the unconsolidated financial statements on 31 December 2022, became a “Subsidiary” as of January 2023 and was accounted for by the equity method in the unconsolidated financial statements in accordance with “Turkish Accounting Standard 28 on Investments in Associates and Joint Ventures (“TAS 28”).

As explained in detail above, 51% of the Bank’s subsidiary QNB Sigorta shares were purchased on 21 December 2022. Turkish Financial Reporting Standard No. 3 (“TFRS 3”), which is about business combinations, requires the acquisition price to be accounted for by distributing the identifiable assets and assumed identifiable liabilities, including the intangible assets of the acquired business, to their fair values at the acquisition date. The studies initiated by the Bank by appointing independent valuation companies in order to reliably determine the fair value, distribution of the purchase price and the amount of goodwill that may arise have been completed and the necessary adjustment records have been made as of the date of purchase.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

1. Basis of Presentation (Continued)

2. Accounting policies and valuation principles used in the preparation of the financial statements (Continued)

2.2. Other (Continued)

The profit/loss calculation arising from the change of control is as follows:

Purchase price of additional QNB Sigorta shares (51%)	981,000
Fair value of QNB Sigorta shares held by the Bank before the acquisition (49%)	1,267,280
	2,248,280
Fair value of net assets controlled (100%)	2,586,285
Income from bargaining purchase	338,005
Carrying value of QNB Sigorta shares held by the Bank before the acquisition (49%)	285,763
Fair value of QNB Sigorta shares held by the Bank before the acquisition (49%)	1,267,280
Value increase in shares owned before the acquisition	981,517
Gross profit resulting from the change of control	1,319,522
Tax effect	(99,311)
Net profit resulting from the change of control	1,220,211

The temporary determined fair values of the identifiable assets and liabilities arising from the acquisition within the scope of TFRS 3 are as follows:

Assets	4,323,739
Cash and Cash Equivalents	1,124,051
Agency Contract	2,113,426
Other Assets	1,086,262
Liabilities	1,737,454
Trade Payables	96,264
Insurance Technical Provisions	1,443,976
Tax Liability	68,541
Other Liabilities	128,673
Net Assets Defined at Fair Value	2,586,285
Carrying value of QNB Sigorta shares held by the Bank before the acquisition	(285,763)
Net profit as a result of control transfer	(1,319,522)
Purchase price of additional QNB Sigorta shares (51%)	981,000



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions

1. Strategy for the use of financial instruments

The major funding sources of the Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of up to 3 months in line with the sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from customer deposit accounts and the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of Value at Risk (“VAR”) by taking the risk tolerance as a cap. The maximum VAR amounts are determined by interest and currency risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Bank’s foreign currency debt securities which are categorized as financial assets at fair value through other comprehensive income explained in foreign currency risk section and the applications regarding the cash flow hedging of interest rate cash flow risk resulting from deposits are explained in the Interest Rate Risk section in detail.

2. Foreign currency transactions

2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

The Bank accounts for the transactions denominated in foreign currencies in accordance with The Effects of Changes in Foreign Exchange Rates (“TAS 21”). Foreign exchange incomes and losses arising from transactions that are completed as of 31 December 2024 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Bank for the period end and the resulting exchange differences are recorded as foreign exchange incomes and losses. Foreign currency non-monetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions (Continued)

2. Foreign currency transactions (Continued)

2.2. Net income or loss is included in the total foreign exchange differences for the period

The foreign currency position of the Bank and the profit/loss from the foreign exchange transactions realized are included in the statement of profit or loss and other comprehensive income of foreign exchange incomes/losses and income/losses from derivative Financial instruments in the statement of profit or loss and other comprehensive income. While income/loss from spot foreign exchange transactions are included in the profit/loss item of foreign exchange income/loss on balance sheet, income/loss from derivative financial transactions (forward, option etc.) for the purpose of hedging related transactions are included in income/loss statement of derivative financial instruments. Therefore, in order to determine the net profit/loss effects of foreign exchange transactions, two balances should be assessed together.

As of 31 December 2024, derivative financial transactions loss amounting to TL 39,779,065 (31 December 2023 - TL 9,340,711 derivative financial transactions loss) and net foreign exchange income amounting to TL 8,733,798 (31 December 2023 - TL 19,221,723 net foreign exchange income), excluding net interest expense amounting to TL 36,497,617 (31 December 2023 - TL 4,477,259 net interest expense) arising from derivative financial transactions, the net profit on foreign currency transactions is TL 5,452,350 (31 December 2023 - TL 14,358,271 net profit on foreign currency transactions).

III. Information on Associates and Subsidiaries and Entities Under Common Control

The Communiqué Amending the “Communiqué on the Turkish Accounting Standard 27 (“TAS 27”) Concerning Individual Financial Statements” published in the Official Gazette dated 9 April 2015 and numbered 29321 came into effect for the accounting periods after 1 January 2016. While it is stated that a business that prepared its individual financial statements before the amendment can account for investments in its subsidiaries, under common control and associates at cost or in accordance with TFRS 9 Financial Instruments standard, with the amendment, while the business prepares its individual financial statements, its investments in subsidiaries, under common control and affiliates are accounted for using the equity method. also has the opportunity to be accounted for.

In unconsolidated financial statements, the Bank accounts its financial subsidiaries according to the equity method defined in TAS 28 within the framework of TAS 27.

IV. Explanations on Futures and Options Contracts and Derivative Products

The Bank enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Bank also carries out currency and interest options, credit default swap and futures agreements.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from customer deposit accounts and the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

The Bank’s derivative instruments held for trading and derivative instruments hedging purpose are classified, measured and accounted in accordance with “TFRS 9” and Financial Instruments: Recognition and Measurement (“TAS 39”), respectively. Derivative instruments held for trading and derivative instruments hedging purpose are initially recognized at fair value and subsequently measured at fair value. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

IV. Explanations on Futures and Options Contracts and Derivative Products (Continued)

The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the “Derivative Financial Assets at Fair Value Through Profit or Loss”, “Derivative Financial Assets at Fair Value Through Other Comprehensive Income” or “Derivative Financial Liabilities at Fair Value Through Profit/Loss” and “Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts of derivative transactions presented on the balance sheet, represent the fair value differences based on the valuation.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data.

Fair values of option contracts are calculated with option pricing models.

Futures transactions are accounted for at settlement as of the balance sheet date.

The Bank does not have either any hybrid contract contains a host that is not an asset within the scope of this standard or a financial instrument which shall be separated from the host and accounted for as derivative under this standard.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another. The Bank’s credit derivatives portfolio included in the off-balance sheet accounts composes of credit default swaps resulted from protection buying or sell.

Credit default swap is a contract, in which the protection seller commits to pay the protection value to the protection buyer in case of certain credit risk events in return for the premium paid by the buyer for the contract. Credit default swaps are valued daily at their fair values.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revaluation differences, are recorded in the statement of profit or loss and other comprehensive income on Income/Loss from Derivative Financial Transactions. These foreign currency valuation differences are accounted for under “Foreign Exchange Incomes/Losses” account.

In cash flow hedge accounting

The Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL and FC customer deposits with short term cyclical basis and subordinated loans and creditor loans which have floating interest payment. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity “Other Accumulated Comprehensive Income/Expense Items Reclassified to Profit or Loss” whereas the amount concerning ineffective parts is associated with the statement of profit or loss and other comprehensive income.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging incomes and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting

The Bank applies fair value hedge accounting in accordance with TAS 39 by performing swap transactions to hedge long term, fixed rate installment loans against fluctuations in market interest rates.

The Bank applies fair value hedge accounting using interest rate swap transactions to hedge long term, fixed rate, foreign currency Eurobonds in financial assets which is classified as fair value through Other Comprehensive Income portfolio against interest rate fluctuations.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

IV. Explanations on Futures and Options Contracts and Derivative Products (Continued)

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon payment in financial assets which is classified as fair value through Other Comprehensive Income portfolio using swap transactions as hedging instruments.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the fixed rate, foreign currency securities issued by the Bank using interest rate swap transactions as hedging instruments.

At each balance sheet date the Bank applies effectiveness tests for fair value hedge accounting.

The effects of hedge accounting for fair value risk have been recognized in the “Income/Loss from Derivative Financial Transactions” line item in the profit or loss statement.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in statement of profit or loss and other comprehensive income.

As of 30 September 2018, the Bank terminated the hedge accounting for the fair value hedge of the fair value risk arising from the changes in the exchange rates for the real estates purchased in previous periods in foreign currency and the fair value of which is in foreign currency in the market and as of 31 December 2024, fair value exchange difference adjustment amounting to TL 1,087,003 (31 December 2023 - TL 1,114,764) which is shown tangible assets in the balance sheet, is amortized over the economic life of the property subject to hedging.

V. Explanations on Interest Income and Expenses

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. When applying the effective interest rate method, an entity identifies fees that are an integral part of the effective interest rate method of a financial instrument. Fees that are an integral part of the effective interest rate of a financial instrument are treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value being recognized in profit or loss.

When applying the effective interest method, The Bank amortized any fees, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate over the expected life of the financial instrument. In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest of the period after the acquisition is recorded as interest income in the financial statements. If the expectation for the cash flows from financial asset is revised for reasons other than the credit risk, the change is reflected in the carrying amount of asset and in the related statement of profit or loss line and is amortized over the estimated life of financial asset.

If the financial asset is impaired and classified as a non-performing receivable, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of “Expected Credit Losses” and “Interest Income On Loans” for calculated amount.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VI. Explanations on Fees and Commission Income and Expenses

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.

VII. Explanations and Disclosures on Financial Instruments

Initial recognition of financial instruments

The Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. A financial asset or financial liability, excluding assets assessed under TFRS 15, is initially measured at its fair value when first recognized in the financial statements. In the initial measurement of financial assets and liabilities, excluding those for which fair value changes are reflected in profit or loss, transaction costs directly attributable to the acquisition or issuance are either added to or deducted from their fair value.

Classification of financial instruments

On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss. The Bank tested all financial assets whether their “contractual cash-flows solely represent payments of principal and interest” and assessed the asset classification within the business model.

Assessment of business model

As per TFRS 9, the Bank’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Bank’s business models are divided into three categories.

Business model aimed to hold assets in order to collect contractual cash flows

This is a model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortized cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Receivables from the Central Bank, Banks, Money Market Placements, investments under financial assets measured at amortized cost, loans, leasing receivables, factoring receivables and other receivables are assessed within this business model.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Instruments (Continued)

Business model aimed to collect contractual cash flows and sell financial assets

This is a model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value change of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at fair value through other comprehensive income are assessed in this business model.

Other business models

Financial assets are measured at fair value through profit or loss in case they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss and derivative financial assets are assessed in this business model.

Measurement categories of financial assets and liabilities

Financial assets are classified in three main categories as listed below in accordance with TFRS 9:

- Financial assets measured at fair value through profit/loss;
- Financial assets measured at fair value through other comprehensive income;
- Financial assets measured at amortized cost.

Financial assets at the fair value through profit or loss

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aimed to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and in case of the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and measured at their fair value after recognition. All incomes and losses arising from these valuations are reflected in the statement of profit or loss and other comprehensive income.

In accordance with the Uniform Chart of Accounts (UCoA) explanations, the positive difference between the acquisition cost and the discounted value of a financial asset is recorded under “Interest Income” If the fair value of the asset exceeds the discounted value, the positive difference is recorded in the “Capital Market Transactions Profits” account. Conversely, if the fair value is lower than the discounted value, the negative difference between the discounted value and the fair value is recorded in the “Capital Market Transactions Losses” account. In cases where such assets are sold before their maturities, the incomes/losses on such sales are recorded under trading account income/losses.

Financial Assets at Fair Value Through Other Comprehensive Income

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income. Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to the statement of profit or loss.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Instruments (Continued)

Financial Assets at Fair Value Through Other Comprehensive Income (Continued)

Unrealized incomes and losses arising from 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 statement of profit or loss and other comprehensive income of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Other Accumulated Comprehensive Income or Expenses Reclassified to Profit or Loss” under shareholders’ equity. When the aforementioned securities are collected or disposed, accumulated fair value differences which were reflected under equity, are reflected in the statement of profit or loss and other comprehensive income. Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

The Bank has inflation indexed (“CPI”) government bonds in its financial assets at fair value through other comprehensive income and measured at amortized cost portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Republic of Türkiye Ministry of Treasury and Finance. As disclosed in ‘Inflation Indexed Bonds Manual’ published by Turkish Republic of Türkiye Ministry of Treasury and Finance, reference index used for the real payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates used for valuation of securities in line with this. The estimated inflation rate used is updated during the year when necessary. At the end of the year, the actual inflation rate is used.

Some portion of the Eurobond portfolio which has been recognized as financial assets at FV through OCI are designated as fair value hedged items, hedged against interest rate fluctuations, starting from March and April 2009, hedged against interest rate fluctuations. Those securities are disclosed under financial assets at FV through OCI in order to be in line with balance sheet presentation. The fair value differences of Eurobond and TL government bond hedged items are accounted for under “Capital Market Transactions Profit/Loss” in the statement of profit or loss and other comprehensive income.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. After fair value accounting is ceased value differences, previously reflected to the statement of profit or loss and other comprehensive income are amortized through the equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately recognized in the statement of profit or loss and other comprehensive income.

Financial Assets Measured at Amortized Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at “amortized cost” by using “effective interest rate method”. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss and other comprehensive income.

The Bank as explained in part IV, “Explanations on Derivative Financial Assets and Liabilities”, performs FX swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounts for the hedged loan portfolio at fair value related to hedged risk, the swap transactions used as the hedging instrument at fair value and reflects the related net income or loss to respective period’s statement of profit or loss and other comprehensive income.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through statement of profit or loss and other comprehensive income until the maturity of the hedged loans.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses

The Bank recognizes a loss allowance for expected credit losses on financial assets and loans measured at amortized cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit/loss based on TFRS 9 and the regulation published in the Official Gazette No. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans” effective from 1 January 2018. At each reporting date, the Bank shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. The Bank considers the changes in the default risk of financial instrument, when making the assessment.

The expected credit losses estimate is unbiased, probability-weighted, and includes supportable information about estimates of past events, current conditions, and future economic conditions. These financial assets are divided into the following three categories based on the increase in credit risk observed from the time they are first recognized in the financial statements:

Stage 1

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of expected credit losses on the 12-month default risk. It is calculated 12-month expected credit loss based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate. As of 31 December 2024, minimum probability of default of Basel II is used in the calculation for the expected loss of receivables from public institutions and organizations. Such calculation is performed for each of three scenarios explained below.

Stage 2

As of the reporting date of the financial asset, in the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. The calculation method is similar to the one described in the above paragraph, but the probability of default and the loss rate in default are estimated throughout the life of the instrument.

Stage 3

Financial assets considered as impaired at the reporting date are classified as Stage 3. The probability of default is taken into account as 100% in the calculation of impairment provision and the Bank accounts lifetime expected credit losses. In determining the impairment, the Bank takes into consideration the following criteria:

- Delay of over 90 days and impairment of creditworthiness.
- Collateral and/or equity of debtor is inadequate cover the payment of receivables on the maturity.
- In case the management believes that collection of receivables will be delayed by more than 90 days due to the macroeconomic, sector-specific or customer-specific reasons.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

Calculation of expected credit losses

The Bank measured expected credit losses with the reasonable, objective and supportable information based on a probability-weighted including estimations about time value of money, past events, current conditions and future economic conditions as of the reporting date, without undue cost or effort. The calculation of expected credit losses consists of three main parameters: probability of default (PD), loss given default (LGD) and exposure at default (EAD). PDs and LGDs used in the ECL calculation are point in time (“PIT”) based for key portfolios and consider both current conditions and expected cyclical changes.

While the expected credit loss is estimated, three scenarios (internal base, internal mild negative, internal severe negative) are evaluated. Each of these scenarios was associated with the probability of different default and loss in default.

In addition, a certain portion of commercial and corporate loans is assessed individually in accordance with the internal policies in the calculation of the expected credit losses based on TFRS 9. Such calculations are made by discounting the expected cash flows from the individual financial instrument to its present value using the effective interest rate.

When measuring expected credit losses, it shall be considered the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. Such assessment is made by reflecting the estimate of expected credit losses which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

Probability of Default

The PD represents the likelihood of a default over a specified time period. A 12-month PD represents the likelihood of default determined for the next 12 months and a lifetime PD represents the probability of default over the remaining lifetime of the instrument. The lifetime PD calculation is based on a series of 12-month PIT PDs that are derived from through the cycle (TTC) PDs and scenario forecasts. It is used internal rating systems for both retail and commercial portfolios to measure risk level. The internal rating models used for the commercial portfolio include customer financial information and qualitative survey responses. PD models used in the retail portfolio include the behavioral data of the customer and the product in the bank and the demographic information of the customer. Probability of default calculation has been carried out based on past information, current conditions and forward looking macroeconomic parameters.

Loss Given Default

The LGD represents an estimate of the loss at the time of a potential default occurring during the life of a financial instrument. The LGD is calculated taking into account expected future cash flows from collateral and other credit enhancements by considering time value of money. LGD calculations are performed using historical data which best reflects current conditions, by formation of segments based on certain risk factors that are deemed important for each portfolio and inclusion of forward-looking information and macroeconomic expectations. LGD summarizes all cash flows from customers subsequent to default. It covers all costs and collections that occur during the collection cycle, including collections from collaterals. It also includes the “time value of money” calculated by means of deducting costs and additional losses from the present value of collections. The Bank bases its estimates on models for collateralized portfolios and on previous experience for unsecured parties, except for corporate loans that are assigned by the Basel Committee individually or as designated by the Basel Committee.

Exposure at Default

The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument. It represents the cash flows outstanding at the time of default, considering expected repayments, interest payments and accruals, discounted at the effective interest rate. Future drawdowns on facilities are considered through a credit conversion factor (CCF) that is reflective of historical drawdown and default patterns and the characteristics of the respective portfolios. While the expected credit loss is estimated, three scenarios (internal base, internal mild negative, internal severe negative) are evaluated. Each of these scenarios was associated with the probability of different default and loss in default.

Consideration of the Macroeconomic Factors

Loss given default and probability of default parameters are determined by considering macroeconomic factors. The macroeconomic variables used in the calculation of the expected loss are as follows:

- Five years credit risk of Türkiye (CDS spread);
- Real GDP growth;
- Unemployment rate;
- Inflation rate;
- Five years government bond interest rate of Türkiye.

The stages were determined through the models created using internal information for the Bank.

The Bank updates the macroeconomic variables used in expected credit loss calculations twice a year and applies them to its models. In addition, The Bank revised its macroeconomic expectations and weights in the calculation of expected credit losses on 31 December 2024. Due to the nature of the model effects, events that cause changes and their effects occur at different times. For this reason, the Bank has made individual valuations in order to eliminate the timing difference and provided additional provisions for the sector and customers that are considered to have a high impact.

This approach, which is preferred in provision calculations for 2024, will be revised in the following reporting periods, taking into account the existing portfolio and future expectations.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

Calculating the Expected Loss Period

Lifetime ECL is calculated by taking into account maturity extensions, repayment options and the period during which the Bank will be exposed to credit risk. The time in financial guarantees and other irrevocable commitments represents the credit maturity for which the liabilities of the Bank. Behavioral maturity analysis has been performed on credit cards and overdraft accounts. With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless there is the legal right to call it earlier.

Significant increase in credit risk

The Bank makes qualitative and quantitative assessments regarding assessment of significant increase in credit risk of financial assets to be classified as Stage 2 (Significant Increase in Credit Risk).

Within the scope of quantitative assessment, the quantitative reason explaining the significant increase in the credit risk is based on a comparison of the probability of default calculated at the origination of the loan and the probability of default assigned for the same loan as of the reporting date. If there is a significant deterioration in PD, it is considered that there is a significant increase in credit risk and the financial asset is classified as stage 2. In this context, the Bank has calculated thresholds at which point the relative change is a significant deterioration. In the quantitative evaluation of the significant increase in credit risk, the Bank considers the absolute thresholds as well as the relative thresholds as an additional layer. Receivables with a probability of default above the absolute threshold value are evaluated in Stage 2, regardless of the relative change.

The Bank classifies the financial asset as Stage 2 (Significant Increase in Credit Risk) where any of the following conditions are satisfied as a result of a qualitative assessment:

- Loans overdue more than 30 days as of the reporting date;
- Loans classified as watch-list;
- When there is a change in the payment plan due to restructuring.

Write-Off Policy

Receivables that are classified as non-performing loans are collected primarily within the framework of administrative contacts with the debtors, and if no results are obtained, through legal means, in case the write-off of the uncollectible receivables comes to the agenda, one of the methods of destruction, sale of receivables and write-off can be applied.

In accordance with the provisions of the “Regulation on the Amendment of the Regulation on the Classification of Loans and the Procedures and Principles Regarding the Classification of Loans and Provisions for These” published in the Official Gazette dated July 2021 and numbered 31533, they are classified under the “Fifth Group-Loans with Losses” and are expected for life due to the default of the debtor. The portion of the loans for which there is no reasonable expectation of the recovery of the loan loss provision is deducted from the records within the period determined specifically for the situation of the borrower within the scope of TFRS 9, starting from the first reporting period (interim or year-end reporting period) following their classification in this Group. In this context, deducting the loans that cannot be collected from the records is an accounting practice and does not result in the waiver of the right to receivable.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

Write-Off Policy (Continued)

The portion of the loan receivables that do not have reasonable expectations regarding the recovery of the following items is deducted from the records within the scope of accounting practice:

- Classified as “Fifth Group - Loans with a Loss Qualification” under the regulation;
- The number of days of delay is at least one year;
- Lifetime expected credit loss provision has been made due to the default of the borrower.

The portion of the loans that do not have reasonable expectations regarding the recovery of the loans is determined by the internal organs authorized by the Board of Directors. Within the scope of this article, deducting the loans from the records is an accounting practice. Receivables are followed up by the relevant credit and operation teams before the customer.

Within the scope of TFRS 9, the amount written off by the Bank during the period is TL 86,331 (31 December 2023 - TL 10,113) and the effect on the NPL ratio of the Bank is 0.01% (31 December 2023 - 0.00%). While the NPL ratio is 2.40% (31 December 2023 - 1.75%) with the current period non-performing loan figures, the calculated rate including the loans written off during the year is 2.41% (31 December 2023 - 1.75%).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

IX. Explanations on Netting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts, and the intention of collecting or paying the net amount of related assets and liabilities or to realize the asset and settle the liability simultaneously.

X. Derecognition of Financial Instruments

a) Derecognition of financial assets due to change in contractual terms

Based on TFRS 9, the renegotiation or modification of the contractual cash flows of a financial asset could lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a ‘new’ financial asset. When the Bank assesses the characteristics of the new contractual terms of the financial asset, it evaluates the contractual cash flows including foreign currency rate changes, conversion to equity, counterparty changes and solely principal and interest on principle.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, it is recalculated the gross carrying amount of the financial asset and recognized a modification income or loss in profit or loss. Where all risks and rewards of ownership of the asset have not been transferred to another party and the Bank retains control of the asset, the Bank continues to recognize the remaining portion of the asset and liabilities arising from such asset. When the Bank retains substantially all the risks and rewards of ownership of the transferred asset, the transferred asset continues to be recognized in its entirety and the consideration received is recognized as a liability.

b) Derecognition of financial assets without any change in contractual terms

The asset, if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party is derecognized. Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the income or loss arising from the difference between the book value and the amount obtained and any accumulated income directly accounted in equity shall be recognized in profit/loss.

c) Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when, and only when, it is extinguished when the obligation specified in the contract is discharged or cancelled or expires.

d) Reclassification of financial instruments

Based on TFRS 9, it shall be reclassified all affected financial assets at amortized cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when, and only when, it is changed the business model for managing financial assets.

e) Restructuring and refinancing of financial instruments

The Bank may be changed the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

Restructuring is made for changing the financial terms of existing loans in order to facilitate the payment of debt. Refinancing is granting a new loan which will cover either the principal or the interest payment in whole or in part of one or a few existing loans due to the anticipated financial difficulty which the customer or group encounter currently or will encounter in the future.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

X. Derecognition of Financial Instruments (Continued)

e) Restructuring and refinancing of financial instruments (Continued)

Changes to the original terms of a credit risk can be made in an existing contract or in a new contract. Corporate and commercial companies that are restructured and refinanced may be excluded from close monitoring, as a minimum, within the scope of the “Regulation on the Determination of the Qualifications of Loans and Other Receivables by Banks and the Procedures and Principles Regarding the Provisions to be Allocated These” and when the following conditions are met:

- Subsequent to the thorough review of company’s financial data and its owners’ equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time starting from the date when the debt is restructured all due principal and interest payments are made on time;
- At least 1 year should pass over the date of restructuring (or if it is later), the date of removal from nonperforming loan category, at least 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring/refinancing shall be paid.

In order for the restructured non-performing corporate and commercial loans to be classified to the watchlist category, the following conditions must be met:

- Recovery in debt service;
- At least 1 year should pass over the date of restructuring;
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring/refinancing or the date when the debtor is classified as non-performing (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring/refinancing;
- Collection of all overdue amounts, disappearance of the reasons for classification as nonperforming receivable (based on the conditions mentioned above) and having no overdue and there is no doubt that future payments will be made on time.

During the follow-up period of at least one year following the date of restructuring/refinancing, if there is a new restructuring/refinancing or a delay of more than 30 days, the transactions which were non-performing at the beginning of the follow-up period are classified as non-performing loans again.

In personal loans, loans can be restructured in order to give liquidity power to the debtor and to ensure the collection of the receivables of the Bank in case of temporary liquidity problems due to the failure of the payment obligation to the Bank. The exclusion of customers from the scope of restructuring is carried out within the scope of the “Regulation on the Determination of the Qualifications of Loans and Other Receivables by Banks and the Procedures and Principles Regarding the Provisions to be Allocated These”.

XI. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return.

Funds obtained in return for repo agreements are monitored in the “Funds From Repo Transactions” accounts under liabilities, and the expense rediscount is calculated according to the internal yield method for the part of the difference between the sales and repurchase prices determined by the repo agreements, which corresponds to the period.

As of the balance sheet date, securities subject to repo amounting to TL 178,932,556 (31 December 2023 - TL 39,923,647).

As of 31 December 2024 the Bank has no securities that are subject to lending transactions (31 December 2023 - None).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under “Cash and Cash Equivalents” and on the line of “Money Market Placements” in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XII. Explanations on Assets Held for Sale and Discontinued Operations

In accordance with TFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortization on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the bank’s control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale. As of 31 December 2024 the Bank has assets held for sale and discontinued operations and it is explained in footnote 1.17. of Section Five.

A discontinued operation is a part of the Bank’s business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the statement of profit or loss and other comprehensive income. The Bank has no discontinuing operations.

The Bank classifies tangible assets which are acquired due to non-performing receivables as other assets.

XIII. Explanations on Goodwill and Other Intangible Assets

The Bank’s intangible assets consist of softwares and intangible rights.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 3-5 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the “Turkish Accounting Standard on Impairment of Assets” (“TAS 36”) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made. There is no goodwill regarding the associates, entities under common controls and subsidiaries in the accompanying unconsolidated financial statements.

XIV. Explanations on Tangible Assets

Initial records of tangible fixed assets are made based on their cost, which is calculated by adding the acquisition amount and other direct expenses necessary to make the asset usable. Tangible assets are valued at their remaining amounts after deducting accumulated depreciation and accumulated value decreases, if any, from their cost in the period following their recording.

The Bank accounts for its properties, which are classified under tangible fixed assets, using revalued amounts instead of cost in accordance with IAS 16 “Property, Plant and Equipment” (“IAS 16”). The revaluation difference resulting from the valuations performed by appraisal firms authorized by the Capital Markets Board (“CMB”) and the Banking Regulation and Supervision Agency is recognized under equity in the “Revaluation Surplus of Property, Plant and Equipment” line item.

As of each reporting date, the Bank evaluates whether there is any indication that its assets may be impaired; If such an indication exists, the recoverable amount of the relevant asset is estimated within the framework of Impairment of Assets (“TAS 36”) standard and allocates a provision for impairment if the recoverable amount is below the book value of the relevant asset.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XIV. Explanations on Tangible Assets (Continued)

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in “Other Operating Expenses” in the related period statement of profit or loss and other comprehensive income when the fair value is below the net book value in accordance with (TAS 36).

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

Property	2%
Movables purchased and acquired under finance lease contracts	7%-25%

The Bank depreciates special expenses on real estate acquired through operating leases before December, 2009 according to their useful lives. Depreciation of the leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with “Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes” dated 10 January 2011.

As of the balance sheet date, with respect to assets which are monitored under tangible assets for less than one year, the projected depreciation amount for a full year, is allocated in proportion to the tangible asset’s period of stay in the assets.

Incomes or losses resulting from disposals of the tangible assets are recorded in the statement of profit or loss and other comprehensive income as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed.

There are no changes in the accounting estimates in regards to amortization duration that could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets. There are no purchase commitments related to the fixed assets.

XV. Explanations on Leasing Transactions

With the introduction of IFRS 16 Leases, the distinction between operating leases and finance leases has been eliminated. Fixed assets acquired through leasing are recorded as “Tangible Fixed Assets” on the asset side and “Finance Lease Liabilities” on the liability side of the Bank’s balance sheet at the commencement of the lease. At the start of the lease, the Bank calculates the right-of-use asset by taking the present value of the lease payments and presents it under “Tangible Fixed Assets.” On the liability side, the Bank records the unpaid lease payments as “Finance Lease Liabilities,” measured at their present value as of the relevant date. Lease payments are discounted using the borrowing interest rate. Direct costs incurred for the lease are added to the cost of the assets acquired through financial leasing and capitalized. Lease payments include both the financing costs arising from the lease and the portion of the leased asset’s value attributable to that period.

IFRS 16 Leases

The IFRS 16 Standard eliminates the dual accounting model, where finance leases are shown on the balance sheet and operating leases are off-balance sheet, which was the current practice for lessees. Instead, a single balance sheet-based accounting model similar to the existing financial lease accounting is introduced. For lessors, accounting continues to be largely similar to the current practices.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XV. Explanations on Leasing Transactions (Continued)

Set out below are the accounting policies of the Bank upon application of TFRS 16:

Right of use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The right use includes the presence of:

- The initial measurement of the lease;
- The amount obtained by deducting all lease incentives received from all lease payments made on or before the date the lease actually begins; and
- All initial direct costs incurred by the Bank.

At the end of the lease term of the underlying asset's service, the transfer of the Bank is reasonably finalized, and the Bank depreciates the asset until the end of the life of the underlying asset on which the lease actually began. Right-of-use assets are subject to impairment.

Lease Liabilities

The Bank measures the lease obligation at the present value of the unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences, consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the date the lease actually starts:

- Fixed payments;
- Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease;
- Amounts expected to be paid by the Bank under the residual value commitments;
- The use price of this option and, if the Bank is reasonably confident that it will use the purchase option;
- Fines for termination of the lease if the lease term indicates that the Bank will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred. The Bank revises the revised discount rate for the remainder of the lease term, if the implicit interest rate in the lease can be easily determined; the Bank's alternative borrowing interest rate at the date of the revaluation.

After the effective date of the lease, the Bank measures the lease obligation as follows:

- Increase the carrying amount to reflect the interest on the lease obligation; and
- Decreases the carrying amount to reflect the lease payments made.

In addition, in the event of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XV. Explanations on Leasing Transactions (Continued)

Short-Term Leases and Leases of Low-Value Assets

The Bank applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Due to the Bank’s implementation of TFRS 16, assets classified under tangible assets as of 31 December 2024 amounted to TL 2,110,310 (31 December 2023 - TL 1,308,043), lease liability amounted to TL 1,678,887 (31 December 2023 - TL 1,151,242), financing expense amounted to TL 311,218 (31 December 2023 - TL 138,206), and depreciation expense amounted to TL 621,689 (31 December 2023 - TL 276,552).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XVI. Explanations on Provisions and Contingent Liabilities

Provisions, other than expected credit loss for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as “contingent”. In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled, and a reliable estimate can be made of the amount obligation. If these criteria are not met, the Bank discloses these issues in the explanations and notes related to the financial statements. In cases where reliable estimate cannot be made of the amount of the obligation, it is considered contingent liabilities. For contingent liabilities if the probability that the event will occur is greater than the probability that it will not and the amount of the obligation can be measured reliably, a provision is made.

XVII. Explanations on Obligations of the Bank Concerning Employee Benefits

Provision for employee severance benefits has been accounted for in accordance with Employee Benefits (“TAS 19”).

In accordance with the existing social legislation in Türkiye, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Bank recognizes all actuarial incomes and losses immediately through other comprehensive income.

The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees’ unused vacations has been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVIII. Explanations on Taxation

1. Corporate Tax

According to the Corporate Tax Law No. 5520 published in the Official Gazette No. 26205 dated 21 June 2006, it is stated that; “While corporate tax is calculated at a rate of 20% on corporate profits, Corporate tax is collected at a rate of 25% on the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies”.

Law No. 7456, which entered into force after being published in the Official Gazette No. 32249 dated 15 July 2023, on the Issue of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and in the 21st article of Amending Certain Laws and the Decree Law No. 375 with in the first paragraph of the 32nd article of the Law No. 5520 the phrase “20%” has been changed to “25%” and the phrase “25%” to “30%”. This change is valid to be applied to the earnings earned in 2023 and subsequent taxation periods, starting from the returns that must be submitted as of 1 October 2023. Prepaid taxes are tracked in the “Current Tax Liability” or “Current Tax Asset” accounts to be offset with the corporate tax liability of the relevant year.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

1. Corporate Tax (Continued)

With the 75% of the profits arising from the sale of the participation shares held in the Bank's assets for more than two years and the founder's shares, usufruct shares and preference rights held for the same period and 50% of the incomes arising from the sale of immovables that are in the assets of the Bank for the same period is exempt from tax on the condition that it is added to the capital or kept in a special fund account for 5 years as stipulated in the Corporate Tax Law. With the 19th article of Law No. 7456, the exemption for the transfer and delivery of immovable properties that have been in the assets of institutions for at least two full years has been abolished. With the 22nd article of the same Law, it has been regulated that the 50% exception rate in paragraph 5/1-(e) of Law No. 5520 will be applied as 25% in the sales of immovable properties that were in the assets of the institutions before the date of entry into force of the said regulation, as of the date of entry into force of this article. Additionally, with the Presidential Decree No. 9160 published in the Official Gazette dated 27 November 2024, the exemption rate for incomes on the sale of subsidiaries has been reduced to 50%.

Companies calculate provisional tax at the rate of 30% on their quarterly financial profits to be applied to their profits earned in 2024 and subsequent taxation periods, starting from the declarations that must be submitted as of 1 October 2023 for the 2023 taxation periods, and they declare and pay it until the 17th day of the second month following that period. With the 9th article of the Law No. 7338 on the Amendment of the Tax Procedure Law and Some Laws published in the Official Gazette dated 26 October 2021 and numbered 31640, the repetitive article 120 of the Income Tax Law No. 193 was amended and it has been stated that provisional tax will be calculated and paid on the quarterly earnings determined for the first nine months of the relevant accounting period, which is applied from the declarations submitted. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or deducted.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, if they do not exceed 5 years. According to the Tax Procedure Law, declarations and related accounting records can be examined by the tax office within five years. On the other hand, if the provision of a document subject to stamp duty, whose tax and penalty is time-barred, is utilized after the expiry of the statute of limitations, the tax receivable of the aforementioned document arises.

The corporate tax provisions calculated over the profit for the period are recorded in the “Current Tax Provision” account in the profit or loss statement, and the current tax effects of the transactions that are directly accounted for in equity are reflected in the shareholders' equity.

In cases where the period's profit is not distributed, is added to the capital, or is distributed to fully liable entities, no withholding tax is applied. However, with the decision of the Council of Ministers No. 2009/14593 and No. 2009/14594, published in the Official Gazette dated 3 February 2009, and based on Articles 15 and 30 of the Corporate Tax Law No. 5520, distributions of profits to fully liable individuals, individuals and entities not subject to corporate or income tax, entities exempt from corporate and income tax, limited liability companies (except those obtaining dividends through a permanent establishment or representative in Türkiye), and limited liability individuals are subject to a 15% withholding tax rate. This rate was changed to 10% with the Presidential Decree published in the Official Gazette dated December 22, 2021, No. 31697. However, with the Presidential Decree No. 9286 dated December 21, 2024, the dividend withholding tax rate was increased from 10% to 15%. In the application of withholding tax rates for profit distributions to limited liability entities and individuals, the provisions in the relevant Double Taxation Avoidance Agreements are also taken into account.

The financial statements should be subject to inflation if both of the following conditions are met within the framework of the Tax Procedure Law's reiterated article 298/A:

- The increase in the price index (D-PPI- Domestic Producer Price Index) exceeded 100% in the last three accounting periods, including the current period; and
- To be more than 10% in the current accounting period.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

1. Corporate Tax (Continued)

The law on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted on 20 January 2022, with the Law No. 7352, and the conditions regarding the inflation adjustment within the scope of the repeated article 298 are determined in the 2021 and 2022 accounting periods and the 2023 accounting period temporary tax periods, including the temporary accounting periods. It has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the financial statements have been made. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed. The provision added by Article 17 of Law No. 7491, following the third paragraph of temporary Article 33 of Law No. 213, states that 'Banks, companies within the scope of Law No. 6361 on Financial Leasing, Factoring, Financing, and Savings Financing Companies, payment and electronic money institutions, authorized exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, are not taken into account in determining income for the fiscal periods, including temporary tax periods, in 2024 and 2025, regarding the profit/loss difference arising from the inflation adjustment.

2. Deferred Taxes

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”). In the calculation of the Bank's deferred tax, the enacted tax rates that are valid in accordance with the current tax legislation are used in accordance with the tax period for the related items.

The Corporate Tax rate for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will be applied as 30%, starting from the declarations that must be submitted as of 1 October 2023, and will also be applied to the profits earned in 2023 and subsequent taxation periods. As of 31 December 2024, deferred tax calculation has been made for assets and liabilities at a rate of 30%.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit.

The Bank is recognized deferred tax for the Stage 1 and Stage 2 expected credit losses provisions. Deferred tax effect related to transactions for which the profit or loss effect is directly accounted in equity, is also reflected to equity.

3. Local and Global Minimum Complementary Corporate Income Tax

In September 2023, POA issued amendments to TAS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws that have been enacted, or are substantively enacted, for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. The exemption from recognizing and disclosing information about deferred taxes and the disclosure requirement for when the exemption has been applied are effective upon issuance of the amendments.

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

4. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “disguised profit distribution” by way of transfer pricing. “The General Communiqué on Disguised Profit Distribution by way of Transfer Pricing” published on 18 November 2007 explains the application related issues in detail. According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes. Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full-fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communiqué’s 7.5 Annual Documentation section, taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XIX. Explanations on Borrowings

The Bank generates funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XX. Explanations on Share Issues

There are no shares issued in 2024 (31 December 2023 - None).

XXI. Explanations on Confirmed Bills of Exchange and Acceptances

Confirmed bills of Exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any. There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXII. Explanations on Government Incentives

As of 31 December 2024 the Bank does not have any government incentives or supports (31 December 2023 - None).

XXIII. Explanations on Segment Reporting

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

The calculations based on the statement of profit or loss and other comprehensive income for retail banking (consumer banking and plastic cards), corporate and commercial banking have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Bank’s senior management and which are updated periodically. In this pricing method, general market conditions and the Bank’s internal policies are considered.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XXIII. Explanations on Segment Reporting (Continued)

Corporate and Commercial Banking serves corporate firms with an annual turnover of TL 7.5 billion or more, multinational companies operating in Türkiye, and commercial firms with an annual turnover of TL 750 million - 7.5 billion. In addition to the financing and investment needs of its customers, it offers products that will facilitate the payment and collection processes in both domestic and foreign trade. It produces solutions that will create added value for all the needs of its customers with its customer-oriented service approach, company-specific solution approach and strategy to establish long-term business partnerships.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

Current Period (1 January - 31 December 2024)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Operating income	67,073,597	33,046,280	(5,836,981)	94,282,896
Dividend Income	-	-	18,048	18,048
P/L from Equity Applied Partnerships	-	-	6,670,444	6,670,444
Profit Before Taxes	30,447,716	23,935,723	(10,070,554)	44,312,885
Provision Tax (-)^(*)	-	-	8,138,544	8,138,544
Net Profit/Loss	30,447,716	23,935,723	(18,209,098)	36,174,341
Total Assets	433,539,717	436,848,744	546,773,201	1,511,869,768
Segment Assets	433,539,717	436,848,744	546,773,201	1,417,161,662
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	19,587,542
Undistributed Assets	-	-	-	75,120,564
Total Liabilities	567,916,244	254,736,964	474,182,109	1,511,869,768
Segment Liabilities	567,916,244	254,736,964	474,182,109	1,296,835,317
Undistributed Liabilities	-	-	-	96,033,140
Equity	-	-	-	119,001,311
Other Segment Accounts	13,696,498	9,117,224	(2,479,974)	20,333,748
Capital Expenditures	12,023,728	8,003,726	(2,176,261)	17,851,193
Amortization	1,672,770	1,113,498	(303,713)	2,482,555

(*) Provision tax is not distributed.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XXIII. Explanations on Segment Reporting (Continued)

Prior Period (1 January - 31 December 2023)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Operating Income	44,035,202	23,650,786	3,125,293	70,811,281
Dividend Income	-	-	11,227	11,227
P/L from Equity Applied Partnerships	-	-	3,541,658	3,541,658
Profit Before Taxes	24,047,221	13,934,743	(249,324)	37,732,640
Provision Tax (-)^(*)	-	-	4,560,198	4,560,198
Net Profit/Loss	24,047,221	13,934,743	(4,809,522)	33,172,442
Total Assets	275,133,998	295,909,926	356,945,504	987,816,567
Segment Assets	275,133,998	295,909,926	356,945,504	927,989,428
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	9,974,398
Undistributed Assets	-	-	-	49,852,741
Total Liabilities	407,646,366	198,819,841	237,068,272	987,816,567
Segment Liabilities	407,646,366	198,819,841	237,068,272	843,534,479
Undistributed Liabilities	-	-	-	62,663,702
Equity	-	-	-	81,618,386
Other Segment Accounts	3,303,016	2,244,536	(720,560)	4,826,992
Capital Expenditures	2,463,638	1,674,144	(531,919)	3,605,863
Amortization	839,378	570,392	(188,641)	1,221,129

^(*)Provision tax is not distributed.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XXIV. Profit Reserves and Profit Distribution

The General Assembly Meeting of the Bank was held on 28 March 2024. In the Board of Directors meeting, it was decided that profit from 2023 operations to be distributed as follows.

2023 profit distribution table	
Current Year Profit	33,172,442
A - First Legal Reserves (Corporate Tax Law 5.1/E) (5%)	279
C - Extraordinary Reserves	33,172,163

XXV. Earnings Per Share

Earnings per share listed on the statement of profit or loss and other comprehensive income is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Net Profit for the Period	36,174,341	33,172,442
Weighted Average Amount of Shares Issued (Thousands)	33,500,000	33,500,000
Earnings Per Share	1.0798	0.9902

In Türkiye, companies can increase capital through “bonus share” distributed from previous year earnings to current shareholders. Such “bonus share” distributions are accounted as issued shares while calculating earnings per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case, amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of “bonus share”, earnings per share is calculated taking into consideration the new amount of shares.

Amount of issued bonus shared in 2024 is none (Amount of issued bonus shared in 2023 is none).

XXVI. Explanations on Other Matters

As stated in the PDP disclosure dated 25 November 2022, it was decided to continue the Enpara banking services offered under the ‘Enpara’ trademark within the Bank under a separate legal entity independent from the Bank in order to ensure maximum value creation for the Bank’s shareholders. In order to implement this decision, it is planned to establish a deposit bank under the name of Enpara Bank A.Ş. and transfer the Bank’s Enpara banking services to the new bank to be established through partial separation. The establishment permit application made by the founding shareholders for the establishment of the new bank was concluded on 5 August 2023 and the establishment permit for Enpara Bank A.Ş. was obtained and the establishment of Enpara Bank A.Ş. was registered on 4 December 2023.

The application for obtaining an operating permit as required by the legislation was made on 5 December 2023. The Bank obtained the operational permit with the official gazette published by the Board on 23 August 2024 and started its operations on 30 December 2024 with the notification made to the BRSA. After obtaining the operational permit, the Bank will apply to the BRSA, CMB and other institutions and organisations that require permission in order to carry out partial spin-off transactions in a structure where the Bank’s controlling shareholder (QNB Group) and minority shareholders’ shareholder status and current share ratios are preserved.

As of 31 December 2024, Enpara’s banking activities to be separated represent 10.4% of the Bank’s unconsolidated assets and liabilities. Assets and liabilities that will be removed from the balance sheet will not create any change in the Bank’s equity. If such a separation had occurred on 31 December 2024, the Bank’s capital adequacy ratio would have increased by 164 basis points to 18.99%. If such a separation had occurred on 31 December 2023, the Bank’s profit before tax for 2024 would be 11.7% lower.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Equity

Total capital and Capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”. As of 31 December 2024 Bank’s total capital has been calculated as TL 158,376,693 (31 December 2023 - TL 112,258,551), capital adequacy ratio is 17.35% (31 December 2023 - 16.66%).

In the calculation of the amount subject to credit risk, in accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated 23 October 2015, as stated in the Board Decision dated 12 December 2023 and numbered 10747; when calculating the values of monetary assets and non-monetary assets, other than items in foreign currency measured in historical cost, pursuant to TAS and related special provisions; the application for the use of the Central Bank of the Republic of Türkiye foreign exchange buying rate as of 26 June 2023 has been decided to continue using the CBRT’s foreign exchange buying rate as of 28 June 2024 as of 1 January 2025, until a BRSA Decision to the contrary is taken.

In accordance with the BRSA Decision No. 10747 dated 12 December 2023, if the net valuation differences of the securities held by the banks in the “Securities at Fair Value Through Other Comprehensive Income” portfolio are negative as of 1 January 2024, to be calculated in accordance with the Regulation on Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756, and to continue to apply the existing provisions of the said Regulation for “Securities at Fair Value Through Other Comprehensive Income” acquired after the date of this decision.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Equity (Continued)

Explanations on Equity	Current Period 31 December 2024	Prior Period 31 December 2023
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	3,350,000	3,350,000
Share issue premiums	714	714
Reserves	71,377,024	38,204,582
Incomes recognized in equity as per TAS	12,713,686	9,637,262
Profit	36,174,341	33,172,442
Current Period Profit	36,174,341	33,172,442
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	1,617	1,602
Common Equity Tier 1 Capital Before Deductions	123,617,382	84,366,602
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1,346,672	2,741,678
Improvement costs for operating leasing	509,197	199,786
Goodwill (Net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (Net of related tax liability)	5,546,358	3,666,620
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (Net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Incomes arising from securitization transactions	-	-
Unrealized incomes and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	7,402,227	6,608,084
Total Common Equity Tier 1 Capital	116,215,156	77,758,518



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Equity (Continued)

ADDITIONAL TIER I CAPITAL	Current Period 31 December 2024	Prior Period 31 December 2023
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	18,522,158	15,455,055
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	18,522,158	15,455,055
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	18,522,158	15,455,055
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	134,737,314	93,213,573
TIER II CAPITAL	-	-
Debt instruments and premiums deemed suitable by the BRSA	-	-
Debt instruments and premiums deemed suitable by BRSA (Temporary Article 4)	13,582,916	11,333,707
Provisions (Article 8 of the Regulation on the Equity of Banks)	10,320,763	7,770,666
Tier II Capital Before Deductions	23,903,679	19,104,373
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	23,903,679	19,104,373
Total Capital (The sum of Tier I Capital and Tier II Capital)	158,640,993	112,317,946
Deductions from Total Capital	-	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	50,295	9,598
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	-	-
Other items to be defined by the BRSA (-)	214,005	49,797
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Equity (Continued)

	Current Period 31 December 2024	Prior Period 31 December 2023
TOTAL CAPITAL		
Total Capital	158,376,693	112,258,551
Total Risk Weighted Amounts	912,944,388	673,967,939
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	12.73	11.54
Tier 1 Capital Adequacy Ratio (%)	14.76	13.83
Capital Adequacy Ratio (%)	17.35	16.66
BUFFERS		
Bank specific total common equity tier 1 capital ratio (%)	2.51	2.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	0.01	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	6.73	5.54
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of 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	-	-
Portion of the total of 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	2,800	2,800
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	23,217,774	20,571,780
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	10,320,763	7,770,666
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and 1 January 2023)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	18,522,158	15,455,055
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	13,582,916	11,333,707
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Equity (Continued)

Information on debt instruments included in the calculation of equity

	Information on debt instruments included in the calculation of equity		
	1	2	3
Issuer Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	QATAR NATIONAL BANK Q.P.S.C.	QATAR NATIONAL BANK Q.P.S.C.	QNB FINANSBANK A.Ş. ISIN: XS2678233243 Common Code: 267823324
Governing law(s) of the instrument	BRSA	BRSA	It is subject to English Law and, with respect to certain articles, to Turkish regulations (CMB-BRSA).
Regulatory treatment	Additional Capital	Supplementary Capital	Supplementary Capital
Since 1.1.2015 10% reduction by being subject to the application	No	No	No
Eligible at stand-alone/consolidated	Stand alone - Consolidated	Stand alone - Consolidated	Stand alone - Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Subordinated debt instrument (Bond)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	18,534	3,035	10,730
Par value of instrument (Currency in million)	18,534	3,035	10,730
Accounting classification	Liability - Subordinated Loans- amortized cost	Liability - Subordinated Loans- amortized cost	Liability - Subordinated Loans- amortized cost
Original date of issuance	30 June 2019	26 May 2022	15 Nov 2023
Perpetual or dated	Undated	Dated	Dated
Original maturity date	-	8 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Every 5 years	3 years	5 years
Subsequent call dates, if applicable	-	-	-
Coupons/dividends	-	-	-
Fixed or floating dividend/coupon	Fixed	Floating	Fixed
Coupon rate and any related index	First 5 years fixed at 9.50%, next 5 years fixed at SOFR + 7.36%	SOFR + 5.10%	10.75%
Existence of a dividend stopper	There will be no interest on the deducted value after the impairment	-	-
Fully discretionary, partially discretionary or mandatory	Optional	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Equity (Continued)

Information on debt instruments included in the calculation of equity (Continued)

	1	2	3
Existence of set-up or another incentive to redeem	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	Yes	None
If convertible, conversion trigger(s)	-	Article number 7-2-i of “Own fund regulation”	-
If convertible, fully or partially	-	All of the remaining capital	-
If convertible, conversion rate	-	(*)	-
If convertible, mandatory or optional conversion	-	Optional	-
If convertible, specify instrument type convertible into	-	Equity Share	-
If convertible, specify issuer of instrument it converts into	-	QNB Bank A.Ş.	-
Write-down feature	Yes	None	Yes
If write-down, write-down trigger(s)	Non-existence of the core capital ratio is less than 5.125%	-	The occurrence of non-existence
If write-down, full or partial	Full and partial	-	Full and partial
If write-down, permanent or temporary	Temporary	-	Temporary
If temporary write-down, description of write-up mechanism	Disappearance of non-existence and higher core capital ratio than 5.125%	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After borrowing and contribution capital	After borrowing, before additional capital, the same as other contribution capital	After borrowing, before additional capital, the same as other contribution capital
Incompliance with article number 7 and 8 of “Own fund regulation”	It fulfills the conditions within the Article number 7 of “Own fund regulation “the Regulation on the Equity of Banks.	It fulfills the conditions within the Article number 8 of “Own fund regulation “the Regulation on the Equity of Banks.	It fulfills the conditions within the Article number 8 of “Own fund regulation “the Regulation on the Equity of Banks.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-	-	-

(*) The conversion rate/value will be calculated based on the market data available when the right is exercised.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Consolidated Equity (Continued)

Explanations on the reconciliation of shareholders' equity items and balance sheet amounts

	Current Period	Prior Period
Balance sheet total equity	119,001,311	81,618,386
Hedge funds	(1,865,452)	(842,911)
Discounts made within the scope of the regulation	(6,055,557)	(3,866,035)
TFRS 9 transition period application (Temporary Article 5)	-	-
Accumulated revaluation and/or reclassification incomes/losses on financial assets at fair value through other comprehensive income	5,134,854	849,078
Core Capital	116,215,156	77,758,518
Additional capital	18,522,158	15,455,055
Capital	134,737,314	93,213,573
Expected loss allowance (Stages 1 and 2)	10,320,763	7,770,666
Debt instruments deemed appropriate by the institution	13,582,916	11,333,707
Discounts made within the scope of the regulation	(264,300)	(59,395)
Total Equity	158,376,693	112,258,551

II. Explanations on Risk Management

1. Explanations on credit risk

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Bank, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every step of the Bank's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Bank's loan limit revision procedures.

The Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans

The Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Bank in line with Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Bank's current internal rating system besides the follow up method determined in the related regulation.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

1. Explanations on credit risk (Continued)

The risk of banking operations abroad and credit transactions is acceptable and there is no significant credit risk density in the international banking market.

The policies implemented by the bank regarding the calculation of expected loss provisions are explained in note VIII of the third part. The bank has taken into consideration the general provision for overdue loans and special provision for impaired loans under the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables (the Provisioning Regulation).

In the calculation of the amount subject to credit risk, in accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated 23 October 2015, as stated in the Board Decision dated 12 December 2023 and numbered 10747; when calculating the values of monetary assets and non-monetary assets, other than items in foreign currency measured in historical cost, pursuant to TAS and related special provisions; the application for the use of the Central Bank of the Republic of Türkiye foreign exchange buying rate as of 26 June 2023 has been decided to continue using the CBRT's foreign exchange buying rate as of 28 June 2024 as of 1 January 2025, until a BRSA Decision to the contrary is taken.

In case the net valuation differences of the securities held by the banks in the portfolio of “Securities at Fair Value Through Other Comprehensive Income” as of the date of this Decision are negative, these differences will be calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013, and allowing the opportunity not to be taken into account in the amount of equity to be used for the capital adequacy ratio, continuing to apply the existing provisions of the aforementioned Regulation for “Securities at Fair Value Reflected in Other Comprehensive Income” acquired after the date of this decision,

With the attached decision of the Banking Regulation and Supervision Agency dated 31 January 2023 and numbered 10496, the Capital Adequacy Regulation;

The limit related to the definition of small and medium-sized enterprises (SMEs) stated in the first paragraph of Article 3(vv) is determined as TL 500,000,000 for domestically resident SMEs and for internationally resident SMEs, it determined to use the SME definition employed by the banking authority of the country where the SME is located for the calculation of capital adequacy.

It has been reported that a decision has been made to set the retail credit limit mentioned in the first sentence of the second paragraph of Article 6(c) at TL 20,000,000.

- The receivables of the Bank from its top 100 cash loan customers are 21% in the total cash loans (31 December 2023 - 23%).
- The receivables of the Bank from its top 200 cash loan customers are 25% in the total cash loans (31 December 2023 - 28%).
- The receivables of the Bank from its top 100 non-cash loan customers are 43% in the total non-cash loans (31 December 2023 - 44%).
- The receivables of the Bank from its top 200 non-cash loan customers are 53% in the total non-cash loans (31 December 2023 - 53%).
- The share of cash and non-cash receivables of the Bank from its top 100 loan customers in total cash and non -cash loans are 21% (31 December 2023 - 23%).
- The share of cash and non-cash receivables of the Bank from its top 200 loan customers in total cash and non -cash loans are 25% (31 December 2023 - 28%).
- The general loan loss provision taken by the Bank is TL 23,217,774 (31 December 2023 - TL 20,571,780).
- As of 31 December 2024, the Bank does not take any provision for probable risks in loan portfolio amounted (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

1. Explanations on credit risk (Continued)

Exposure Categories	Current Period		Prior Period	
	Risk Amount ^(*)	Average Risk Amount ^(*)	Risk Amount ^(*)	Average Risk Amount ^(*)
Conditional and unconditional receivables from central governments and Central Banks	474,016,974	397,352,856	278,931,981	223,881,298
Conditional and unconditional receivables from regional or local governments	189,547	194,373	177,659	217,896
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	912,779	858,189	726,187	642,471
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	208,351,966	134,327,871	73,608,543	78,551,771
Conditional and unconditional receivables from corporates	340,733,767	292,859,971	191,602,513	187,914,313
Conditional and unconditional receivables from retail portfolios	511,520,756	336,199,903	237,304,438	199,300,468
Conditional and unconditional receivables secured by mortgages	37,640,563	30,872,152	19,356,360	16,273,589
Past due receivables	5,155,349	3,210,440	1,820,351	1,479,849
Receivables defined under high risk category by BRSA	3,027,347	116,695,264	122,316,817	79,519,902
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	-	-	-	-
Investment in equities	17,657,568	15,395,582	8,296,731	6,283,659
Other receivables	61,987,574	45,079,460	37,010,020	28,865,405

^(*) The average risk amount is determined by calculating the arithmetic average of the post-transformation risk amounts for the January 2024 - December 2024 periods.

^(**) The risk amounts are given after the loan conversion rate, and before Loan Risk Reduction.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”) Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024 (Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

1. Explanations on credit risk (Continued)

Profile of significant exposures in major region

Current Period	Exposure Categories ^(*)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	474,016,974	189,547	912,779	-	-	118,624,604	336,691,169	511,442,711	37,573,206	5,147,162	3,027,347	-	-	-	-	17,657,568	61,987,573	1,567,270,640
EU countries ^(**)	-	-	-	-	-	9,228,452	398,947	756	11	-	-	-	-	-	-	-	-	9,628,166
OECD countries ^(**)	-	-	-	-	-	60,664,755	1,189,337	461	-	-	-	-	-	-	-	-	-	61,854,553
Off-shore banking regions	-	-	-	-	-	13,655,788	218,371	794	1	-	-	-	-	-	-	-	-	13,874,954
USA, Canada	-	-	-	-	-	5,698,302	-	55	-	-	-	-	-	-	-	-	-	5,698,357
Other countries	-	-	-	-	-	480,065	2,235,944	75,979	67,357	8,175	-	-	-	-	-	-	-	2,867,520
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	474,016,974	189,547	912,779	-	-	208,351,966	340,733,768	511,520,766	37,640,563	5,155,349	3,027,347	-	-	-	-	17,657,568	61,987,573	1,661,194,190

Prior Period	Exposure Categories ^(*)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	278,931,981	177,659	726,187	-	-	16,287,766	189,882,739	237,211,710	19,210,199	1,820,110	122,276,587	-	-	-	-	8,296,731	37,010,020	911,831,689
EU countries	-	-	-	-	-	3,210,540	377,145	710	11	192	-	-	-	-	-	-	-	3,588,904
OECD countries ^(**)	-	-	-	-	-	40,733,028	230,343	2,310	-	65	-	-	-	-	-	-	-	40,735,403
Off-shore banking regions	-	-	-	-	-	7,797,239	994	926	-	8	-	-	-	-	-	-	-	8,029,510
USA, Canada	-	-	-	-	-	5,354,301	-	7	-	-	-	-	-	-	-	-	-	5,354,308
Other countries	-	-	-	-	-	225,669	1,111,980	88,707	145,235	230	39,965	-	-	-	-	-	-	1,611,786
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	278,931,981	177,659	726,187	-	-	73,608,543	191,602,513	237,304,438	19,356,360	1,820,351	122,316,817	-	-	-	-	8,296,731	37,010,020	971,151,600

^(*) Exposure categories based on: Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks. The risk amounts are given after the loan conversion rate, and before Loan Risk Reduction.

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

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

- 1 - Conditional and unconditional receivables from central governments or central banks
- 2 - Conditional and unconditional receivables from regional or local governments
- 3 - Conditional and unconditional receivables from administrative units and non-commercial enterprises
- 4 - Conditional and unconditional receivables from multilateral development banks
- 5 - Conditional and unconditional receivables from international organizations
- 6 - Conditional and unconditional receivables from banks and brokerage houses
- 7 - Conditional and unconditional receivables from corporates
- 8 - Conditional and unconditional retail receivables
- 9 - Conditional and unconditional receivables secured by mortgages
- 10 - Past due receivables
- 11 - Receivables defined as high risk category by the Regulator
- 12 - Mortgage-backed Securities
- 13 - Securitization Positions
- 14 - Short-Term Receivables and Short-Term Corporate Receivables from banks and brokerage houses
- 15 - Investments in the Nature of Collective Investment
- 16 - Investment in equities
- 17 - Other receivables



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

1. Explanations on credit risk (Continued)

Risk profile by sectors or counterparties

Current Period	Exposure Categories ^(*)																	Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		TL	FC
Agriculture	-	-	220	-	-	2,210,319	1,265,050	325,893	15,597	3,721	-	-	-	-	-	-	-	2,361,307	1,460,493	3,821,800
Farming and Livestock	-	-	220	-	-	1,000,436	1,170,621	318,580	12,220	3,697	-	-	-	-	-	-	-	2,113,523	392,251	2,505,774
Forestation	-	-	-	-	-	9,508	46,177	8,313	356	24	-	-	-	-	-	-	-	64,378	-	64,378
Fishing Industry	-	-	-	-	-	12,000,375	48,252	-	3,021	-	-	-	-	-	-	-	-	183,406	1,068,242	1,251,648
Industrial	-	28,941	1,710	-	-	17,156,689,638	17,189,890	8,164,407	374,643	53,602	-	-	-	-	-	-	-	75,019,784	1,074,833,064	182,502,848
Mining and Quarrying	-	-	-	-	-	1,384,950	2,75,622	54,580	7,610	937	-	-	-	-	-	-	-	1,130,805	592,894	1,723,699
Manufacturing Industry	-	-	1,710	-	-	145,319,442	16,780,107	7,882,735	364,237	52,665	-	-	-	-	-	-	-	71,433,123	98,937,790	170,370,913
Electricity, Gas, Water	-	28,941	-	-	-	9,985,246	164,161	227,092	2,795	-	-	-	-	-	-	-	-	2,455,856	795,236	10,408,236
Construction	-	10,000	-	-	-	18,378,529	9,897,560	4,495,946	65,307	208,642	-	-	-	-	-	-	-	24,701,972	8,353,912	33,055,884
Services	216,735,788	-	5,533	-	-	198,134,501	136,483,699	42,401,037	21,588,733	710,388	2,758,773	-	-	-	-	-	-	379,368,475	239,449,977	618,818,452
Wholesale and Retail Trade	-	-	4,975	-	-	2,567	62,063,754	30,926,152	7,590,292	232,501	18,061	-	-	-	-	-	-	79,176,777	21,661,525	100,838,302
Hotels and Restaurants	-	-	-	-	-	6,750,328	431,482	7,167,643	1,518	19,602	-	-	-	-	-	-	-	184,935,06	12,521,067	14,370,573
Transportation and Communications	-	-	-	-	-	35,315,506	4,743,802	634,017	12,686	2,700,935	-	-	-	-	-	-	-	78,955,294	35,511,652	43,406,946
Financial Institutions	-	-	-	-	-	198,131,934	1,784,510	426,855	203,580	457	-	-	-	-	-	-	-	274,689,878	142,593,246	417,283,124
Real Estate and Rent Services	-	-	176	-	-	17,191,214	686,218	4,798,913	446,902	-	-	-	-	-	-	-	-	5,056,271	18,067,182	23,123,423
Independent Business Services	-	-	328	-	-	2,861,194	2,808,568	703,525	13,456	-	-	-	-	-	-	-	-	4,664,032	1,230,049	6,387,081
Education Services	-	-	-	-	-	561,883	620,351	21,177	823	-	-	-	-	-	-	-	-	1,202,845	1,389	1,204,234
Health and Social Services	-	-	54	-	-	9,955,310	1,757,609	469,586	20,175	20,175	-	-	-	-	-	-	-	4,833,872	7,370,897	12,204,769
Other	257,281,185	150,606	905,316	-	-	10,217,448	26,971,582	440,767,219	3,064,684	3,989,414	2,609	-	-	-	-	-	-	749,240,548	73,754,658	822,995,206
Total	474,016,973	189,547	912,779	-	-	208,351,966	340,733,767	511,520,756	37,640,563	5,155,349	3,027,347	-	-	-	-	-	-	1,230,692,086	430,502,104	1,661,194,190

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

- 1 - Conditional and unconditional receivables from central governments or central banks
- 2 - Conditional and unconditional receivables from regional or local governments
- 3 - Conditional and unconditional receivables from administrative units and non-commercial enterprises
- 4 - Conditional and unconditional receivables from multilateral development banks
- 5 - Conditional and unconditional receivables from international organizations
- 6 - Conditional and unconditional receivables from banks and brokerage houses
- 7 - Conditional and unconditional receivables from corporates
- 8 - Conditional and unconditional retail receivables
- 9 - Conditional and unconditional receivables secured by mortgages
- 10 - Past due receivables
- 11 - Receivables defined as high risk category by the Regulator
- 12 - Mortgage-backed Securities
- 13 - Securitization Positions
- 14 - Short-Term Receivables and Short-Term Corporate Receivables from banks and brokerage houses
- 15 - Investments in the Nature of Collective Investment
- 16 - Investment in equities
- 17 - Other receivable



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

1. Explanations on credit risk (Continued)

Prior Period	Risk Categories ^{o)}																	Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		TL	FC
Agriculture	-	-	220	-	-	-	1,356,964	1,240,165	200,736	10,116	107,828	-	-	-	-	-	-	2,216,638	699,391	2,916,029
Farming and Livestock	-	-	220	-	-	-	757,554	1,177,909	188,370	10,103	78,270	-	-	-	-	-	-	2,006,887	205,539	2,212,426
Forestation	-	-	-	-	-	-	7,921	27,746	487	-	-	-	-	-	-	-	-	36,154	-	36,154
Fishing Industry	-	-	-	-	-	-	591,489	34,510	11,879	13	29,558	-	-	-	-	-	-	173,597	493,852	667,449
Industrial	-	67,022	1,307	-	-	-	82,211,659	14,203,732	4,551,908	205,037	7,671,454	-	-	-	-	-	-	57,312,270	51,599,249	108,911,519
Mining and Quarrying	-	-	-	-	-	-	584,719	224,550	98,850	4,172	82,974	-	-	-	-	-	-	758,669	236,596	995,265
Manufacturing Industry	-	1,307	-	-	-	-	72,915,903	13,788,725	4,444,601	200,837	7,213,937	-	-	-	-	-	-	54,672,542	43,892,768	98,565,310
Electricity, Gas, Water	-	67,022	-	-	-	-	871,037	190,457	7,857	28	374,543	-	-	-	-	-	-	1,881,059	7,469,885	9,350,944
Construction	-	-	-	-	-	-	10,079,351	7,533,266	2,312,187	101,763	769,784	-	-	-	-	-	-	16,164,502	4,631,849	20,796,351
Services	124,647,112	18,133	19,302	-	-	-	66,016,098	85,970,072	30,642,574	10,572,004	475,520	13,409,344	-	-	-	-	-	165,884,882	165,885,277	331,770,159
Wholesale and Retail Trade	-	-	3,460	-	-	-	30,046,383	23,108,162	4,077,503	101,745	11,239,668	-	-	-	-	-	-	57,606,979	10,969,932	68,576,911
Hotels and Restaurants	-	-	-	-	-	-	7,279,162	492,050	1,321,122	1,184	93,950	-	-	-	-	-	-	2,536,093	6,649,375	9,187,468
Transportation and Communications	-	18,133	-	-	-	-	27,508,346	2,825,555	2,038,600	3,936	293,042	-	-	-	-	-	-	4,853,292	25,999,581	30,852,873
Financial Institutions	124,647,112	-	-	-	-	-	66,016,098	913,249	296,215	9,880	375	39,870	-	-	-	-	-	91,606,030	100,316,769	191,922,799
Real Estate and Rent Services	-	-	-	-	-	-	11,226,909	475,402	4,553,632	359,326	678,229	-	-	-	-	-	-	2,221,688	15,071,810	17,293,498
Independent Business Services	-	15,788	-	-	-	-	1,896,505	1,884,694	185,722	5,909	37,071	-	-	-	-	-	-	3,110,174	915,515	4,025,689
Education Services	-	-	-	-	-	-	214,227	367,340	36,926	214	167,956	-	-	-	-	-	-	786,663	-	786,663
Health and Social Services	-	-	54	-	-	-	6,885,291	1,193,165	183,359	2,831	859,558	-	-	-	-	-	-	3,161,963	5,962,295	9,124,258
Other	154,284,869	92,504	705,358	-	-	-	7,592,445	11,984,467	183,684,701	1,720,125	1,027,915	100,358,407	-	-	-	-	-	8,296,731	37,010,020	459,138,664
Total	278,931,981	177,659	726,187	-	-	-	73,608,543	191,602,513	237,304,438	19,356,360	1,820,351	122,316,817	-	-	-	-	-	8,296,731	37,010,020	700,716,956
																			270,434,644	971,151,600

^{o)} Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1 - Conditional and unconditional receivables from central governments or central banks
- 2 - Conditional and unconditional receivables from regional or local governments
- 3 - Conditional and unconditional receivables from administrative units and non-commercial enterprises
- 4 - Conditional and unconditional receivables from multilateral development banks
- 5 - Conditional and unconditional receivables from international organizations
- 6 - Conditional and unconditional receivables from banks and brokerage houses
- 7 - Conditional and unconditional receivables from corporates
- 8 - Conditional and unconditional retail receivables
- 9 - Conditional and unconditional receivables secured by mortgages
- 10 - Past due receivables
- 11 - Receivables defined as high risk category by the Regulator
- 12 - Mortgage-backed Securities
- 13 - Securitization Positions
- 14 - Short-Term Receivables and Short-Term Corporate Receivables from banks and brokerage houses
- 15 - Investments in the Nature of Collective Investment
- 16 - Investment in equities
- 17 - Other receivable



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

1. Explanations on credit risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities^(*)

Current Period Exposure Categories	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	1,019,959	2,546,318	8,570,760	2,492,804	242,651,344
Conditional and unconditional receivables from regional or local governments	12,091	13,740	1,974	-	161,709
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	110,066	499,430	-	14,102	228,377
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	2,987,532	6,118,844	7,609,419	4,151,586	1,905,506
Conditional and unconditional receivables from corporates	26,562,319	48,077,812	44,905,796	70,438,874	114,928,125
Conditional and unconditional receivables from retail portfolios	26,613,396	38,548,507	46,413,290	104,304,324	61,221,269
Conditional and unconditional receivables secured by mortgages	1,220,660	1,819,359	3,115,075	6,883,397	23,508,918
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	5,290	2,706,375	31,589	9,855	88,856
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock investments	-	-	-	-	-
Other receivables	-	-	-	-	-
Total	58,531,313	100,330,385	110,647,903	188,294,942	444,694,104

^(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions and items with maturity items are taken into consideration.

Prior Period Exposure Categories	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2,142,465	2,159,983	3,044,119	3,022,874	143,915,428
Conditional and unconditional receivables from regional or local governments	-	3,068	18,133	3,763	152,662
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	118,871	230,211	93,004	294	225,567
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	11,828,568	26,775,739	5,091,841	3,565,614	8,349,606
Conditional and unconditional receivables from corporates	15,457,025	26,362,689	25,361,880	33,985,666	71,913,743
Conditional and unconditional receivables from retail portfolios	22,025,522	26,402,545	22,142,620	32,778,077	28,276,593
Conditional and unconditional receivables secured by mortgages	776,408	1,179,890	2,424,657	3,632,690	10,744,861
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	3,456,320	8,873,147	8,937,113	28,586,186	39,081,414
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock investments	-	-	-	-	-
Other receivables	-	-	-	-	-
Total	55,805,179	91,987,272	67,113,367	105,575,164	302,659,874

^(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions and items with maturity items are taken into consideration.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

1. Explanations on credit risk (Continued)

Exposures by Risk Weights

Current Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	500%	2%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	485,445,203	-	144,350,750	1,975	103,864,288	521,711,749	402,705,431	225,286	-	-	2,802,061	87,447	7,101,365
2. Exposures After Credit Risk Mitigation	486,646,064	-	35,762,645	5,661,263	88,275,567	506,917,630	376,579,779	222,756	-	-	2,802,061	87,447	7,101,365

Prior Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	500%	2%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	287,934,239	-	36,450,309	9,250	58,534,679	206,660,613	259,092,607	100,473,580	21,386,661	-	456,576	153,086	4,175,228
2. Exposures After Credit Risk Mitigation	288,951,458	-	29,228,781	2,838,532	48,487,431	195,653,544	246,253,174	100,411,928	21,386,661	-	456,576	153,086	4,175,228



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations On Risk Management (Continued)

1. Explanations on credit risk (Continued)

Information by major sectors and type of counterparties

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Part IV Footnote 2.

Current Period	Loans ^(*)		Provisions		
	Impaired Loans (TFRS 9)		Non-Performing (Regulation of Provision)	Provision For Expected Losses of Credit (TFRS 9)	(Regulation of Provision)
	Significant Increase of Credit Risk (Stage 2)	Default (Stage 3)			
Major Sectors/Counterparties					
1. Agriculture	139,402	122,742	-	113,339	-
1.1. Farming and Livestock	136,421	111,959	-	105,628	-
1.2. Forestation	1,920	1,364	-	1,236	-
1.3. Fishing	1,061	9,419	-	6,475	-
2. Industrial	5,922,758	2,289,052	-	2,398,677	-
2.1. Mining and Quarrying	17,748	49,299	-	41,847	-
2.2. Manufacturing Industry	5,891,976	2,165,169	-	2,283,976	-
2.3. Electricity, Gas, Water	13,034	74,584	-	72,854	-
3. Construction	2,752,888	621,682	-	1,269,235	-
4. Services	26,254,133	3,300,416	-	7,441,885	-
4.1. Wholesale and Retail Commerce	5,269,948	2,020,224	-	2,145,093	-
4.2. Hotel and Restaurant Services	1,902,621	145,166	-	310,106	-
4.3. Transportation and Communication	867,145	154,867	-	225,996	-
4.4. Financial Corporations	32,392	10,246	-	12,690	-
4.5. Real Estate and Loan Services	17,189,204	824,995	-	4,449,525	-
4.6. Independent Business Services	296,293	96,070	-	109,882	-
4.7. Education Services	61,232	17,597	-	21,495	-
4.8. Health and Social Services	635,298	31,251	-	167,098	-
5. Other	61,692,119	18,290,080	-	20,880,586	-
6. Total	96,761,300	24,623,972	-	32,103,722	-

^(*)Represents the distribution of cash loans.

Prior Period	Loans ^(*)		Provisions		
	Impaired Loans (TFRS 9)		Non-Performing (Regulation of Provision)	Provision For Expected Losses of Credit (TFRS 9)	(Regulation of Provision)
	Significant Increase of Credit Risk (Stage 2)	Default (Stage 3)			
Major Sectors/Counterparties					
1. Agriculture	85,292	149,260	-	141,587	-
1.1. Farming and Livestock	79,511	147,266	-	138,790	-
1.2. Forestation	3,493	104	-	600	-
1.3. Fishing	2,288	1,890	-	2,197	-
2. Industrial	3,511,009	1,901,346	-	2,030,528	-
2.1. Mining and Quarrying	13,637	24,341	-	21,354	-
2.2. Manufacturing Industry	3,472,217	1,817,317	-	1,948,793	-
2.3. Electricity, Gas, Water	25,155	59,688	-	60,381	-
3. Construction	2,084,607	681,351	-	1,155,747	-
4. Services	26,413,751	2,793,202	-	7,153,200	-
4.1. Wholesale and Retail Commerce	4,641,187	1,452,396	-	1,800,224	-
4.2. Hotel and Restaurant Services	1,774,322	145,729	-	478,709	-
4.3. Transportation and Communication	460,093	96,911	-	155,970	-
4.4. Financial Corporations	13,360	9,919	-	10,824	-
4.5. Real Estate and Loan Services	17,949,561	799,465	-	4,004,418	-
4.6. Independent Business Services	709,728	232,558	-	420,986	-
4.7. Education Services	44,752	26,928	-	32,557	-
4.8. Health and Social Services	820,748	29,296	-	249,512	-
5. Other	31,360,317	4,929,315	-	8,819,951	-
6. Total	63,454,976	10,454,474	-	19,301,013	-

^(*)Represents the distribution of cash loans.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations On Risk Management (Continued)

1. Explanations on credit risk (Continued)

Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Stage 3 Provisions ^(**)	8,422,069	13,191,955	(730,489)	(1,829,904)	19,053,631
2. Stage 1-2 Provisions	18,582,159	9,816,682	(6,842,239)	-	21,556,602

^(*) Represents the provision of loans written-off.

^(**) Demonstrates provision movement of Stage 3 cash loans.

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Stage 3 Provisions ^(**)	7,429,113	2,805,186	(903,898)	(908,332)	8,422,069
2. Stage 1-2 Provisions	9,094,661	11,087,320	(1,599,822)	-	18,582,159

^(*) Represents the provision of loans written-off.

^(**) Demonstrates provision movement of Stage 3 cash loans.

Exposures subject to countercyclical capital buffer

The exposures subject to countercyclical capital buffer table prepared in accordance with the communiqué “Regulation on Capital Conservation and Countercyclical Capital buffers of Banks” published in the Official Gazette No. 28812 dated 5 November 2013 is presented below:

Information on private sector receivables

Current Period	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	885,591,385	-	885,591,385
Malta	1,559,875	-	1,559,875
Other	780,732	-	780,732
Total	887,931,992	-	887,931,992

Prior Period	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	684,072,718	-	684,072,718
Malta	591,450	-	591,450
Other	366,995	-	366,995
Total	685,031,163	-	685,031,163



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations On Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts

2.1. GBA - Risk management approach of the Bank

a) The way risk profile of the Bank is determined by business model and the interaction between (e.g. key risks related to business model and in which way those risks are reflected to disclosures) and in which way the risk profile of the Bank is related to risk appetite approved by board of directors

Bank acknowledges that business and strategy risks are material since the Bank's growth oriented business plan is sensitive to changes in market conditions. From this point of view, Bank classifies business and strategy risk as an important risk. Bank reviews its 5-year long term business plans once a year periodically. If the economic developments and market conditions require, then business plans are reviewed and revised more often.

b) Risk management structure: Allocation of responsibilities in the Bank (e.g. supervision and delegation of authorization; separation of responsibilities with respect to their risk type, business unit etc.; relations between structures included in risk management processes [e.g. board of directors, senior management, separate risk committee, risk management unit, legal compliance, internal audit function])

Bank's risk measurement, monitoring, and control functions have clearly defined responsibilities that are sufficiently independent from position/risk taking functions. Risk exposures are directly reported to Senior Management and the Board of Directors/Board Risk Committee. Bank's internal control systems are designed to provide adequate segregation of duties, in order to prevent conflicts of interest with respect to the distinct functions of undertaking, approving, monitoring and controlling risks. In particular the functions that undertake transactions (front line) are administratively and operationally separate from the functions of, confirmation, accounting and settlement of transactions, as well as the safekeeping of the assets of the Bank or its customers.

Risk management governance at the Bank starts with the Board of Directors. The Board Risk Committee (“BRC”), Audit Committee (the “AC”), Assets and Liabilities Committee (the “ALCO”), Corporate and Retail Credit Policy Committee (“CPC”), Operational Risk Management Committee (“ORMC”), Reputation Risk Management and Risk Management Department are the important bodies of the risk management structure. The Board of Directors determines the general risk policy and the risk appetite of the Bank.

The Audit Committee is responsible for supervising whether the Bank complies with the provisions of applicable risk management legislation, and the internal risk management policies and procedures approved by the BoD. The AC reviewing whether the Bank has the methods, instruments and procedures required for identifying, measuring, monitoring and controlling the risk exposures of the Bank.

The ALCO, meeting monthly, is responsible for monitoring and managing the structural asset-liability mismatches of the Bank, as well as monitoring and controlling liquidity risk and foreign currency exchange risk.

The CPC meets monthly and is responsible for monitoring and evaluating the Bank's lending portfolio and determining principles and policies regarding the credit risk management processes such as loan approval, limit setting, rating, monitoring and problem management. The ORMC meets every three months and is responsible for reviewing operational risk issues of the Bank and defining the necessary actions to be taken to minimize these risks. The Reputation Risk Management Committee is established to identify, evaluate and monitor the reputational risks that the Bank is exposed to and to take necessary actions to prevent risks and meets quarterly.

The Risk Management Department, working independently from the executive functions and reporting to the Board of Directors, is organized under three main sections as market risk, credit risk, operational risk and model validation, each having responsibility for identifying, measuring, monitoring, controlling and managing the relevant risks as well as for model validation, assessing the predictive ability of risk estimates and the use of ratings in credit processes.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the Bank (Continued)

b) Risk management structure: Allocation of responsibilities in the Bank (e.g. supervision and delegation of authorization; separation of responsibilities with respect to their risk type, business unit etc.; relations between structures included in risk management processes (e.g. board of directors, senior management, separate risk committee, risk management unit, legal compliance, internal audit function)) (Continued)

The Compliance function is ensuring, through proper procedures, that the requirements and deadlines provided for by the regulatory framework in force are observed. In doing so, the compliance function informs all Bank employees on the relevant changes to the regulatory framework and provides guidance on the required changes to internal rules and processes. Moreover, the Compliance function cooperates as appropriate with the Risk Management unit, as compliance risk is considered a subcategory of operational risk.

Internal audit function acts as one of the three lines of defense of Bank risk Management model and provides the independent review function. Risk assessments at internal audit are carried out by internal audit department by paying attention to exposures that Bank has and controls relevant to them during audit works.

c) Channels which are used to extend and apply risk culture in the Bank (e.g. behavior rules, manuals including operation limits or procedures which shall be applied when the risk limits are exceeded, procedures regarding sharing of risk matters between business units and risk units)

The Risk Appetite Statement stands out as the basic risk management policy document in which the Bank defines its risks and determines its risk appetite and management principles. It also defines current and targeted risk profile and appetite, risk management organization, and core risk management capabilities.

Corporate and Retail Loan Policies and application directions also determines the Bank's credit risk management workflow and procedures.

TFRS 9 Impairment Policy is to define TFRS 9 Impairment and related activities to be performed in accordance with the requirements of TFRS 9 Implementation Guide. The policy is to determine the roles and responsibilities of the Bank units within the framework of TFRS 9, to determine the changes specific to TFRS 9 apart from the existing credit policy guidelines, to establish guidelines for TFRS 9 risk monitoring, control and reporting activities, and to establish the TFRS 9 Impairment framework applied within the Bank. aims to provide.

Corporate Rating Governance Policy regulates the internal governance framework for corporate and commercial segment risk rating system operations.

Capital Management Policy sets a framework for managing capital requirements and adequacy assessment, capital planning, capital measurement and monitoring, capital allocation, risk-adjusted aims to establish performance measurement and pricing principles.

Counterparty Credit Risk Policy, the risk strategy determined by the Bank with risk policies and local legislation in comply with effective and sufficient counterparty credit risk management with caution, constant to establish based on the principles of applicability.

The Enterprise Risk Management Policy aims to coordinate the Bank's risk management activities, establish the necessary standards and optimize performance and decision-making through the classification of risks and developing a structured approach for the Bank to address these risks.

Country Risk Policy is to set a consistent framework for the identification, management and reporting of country risk that QNB Bank is exposed to through its counterparties in different countries.

The Market Risk Management Policy determines the key principles underlying the operations of the Bank in money and capital markets including limit structure.

Banking Account Interest Rate Risk (BHFOR) Policy sets the basic principles for the management of interest rate risk related to banking activities other than trading accounts.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the Bank (Continued)

c) Channels which are used to extend and apply risk culture in the Bank (e.g. behavior rules, manuals including operation limits or procedures which shall be applied when the risk limits are exceeded, procedures regarding sharing of risk matters between business units and risk units) (Continued)

The liquidity policy outlines the Bank’s view and identifies the guidelines for incurring, retaining and managing liquidity risk.

The Fair Value Policy aims to define the main principles, roles and responsibilities for measuring the fair value of financial instruments in accordance with accounting provisions and regulatory principles.

Investment Portfolio Risk Policy ensures that the activities related to the management of the Bank’s investment portfolio are carried out in accordance with generally accepted practices. This policy explains the objectives and targets of the investment portfolio, whose management is given to the Treasury Trading and Asset-Liability Management units by the Asset-Liability Committee (ALCO). It also defines the management and risk control framework for managing and maintaining the investment portfolio.

The Operational Risk Management Policy ensures that all the Bank’s stakeholders manage operational risk within a formalised framework aligned to business objectives.

Reputation Risk Policy, identifies the rules and frame of managing the reputation risk.

The Environmental and Social Risk Policy (Policy) sets forth QNB Bank’s approach to environmental and social issues in line with the sustainability policy, strategy and ESG (Environmental, Social, Governance) commitments of QNB Group and QNB Bank.

d) Key elements and scope of risk measurement systems

Consistent across the Bank internal risk rating systems appropriate to the nature, size and complexity of each activity and fully integrated in credit processes. The internal risk rating system employs appropriate credit risk rating models the scope and coverage of which are adequate to accommodate the Bank’s strategic aspirations and regulatory requirements. In particular, the Bank’s internal rating systems form the basis of capital assessment and allocation and constitute a key element of risk adjusted performance measurement, pricing and profitability measurement.

Information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities, providing adequate information on the composition of the credit portfolio of the Bank, including identification of any concentrations of risk.

The Market Risk Management Policy determines the key principles underlying the operations of the Bank in money and capital markets. Key principles of Market Risk Management Framework are:

The Bank Risk Committee is responsible for ensuring that market risk strategy and policy are consistently implemented. This includes

- Implementation of the market risk management policy.
- Designation of risk limits.
- Definition of responsibilities for every unit involved in market risk management.
- Ongoing market risk monitoring and control, ensuring that risk appetite remains within the approved limits.
- Setting up appropriate IT systems for evaluating and monitoring the risks taken.
- Setting up standard models for market risk positions valuation and performance evaluation.
- Setting up comprehensive reporting and internal control systems.
- Providing for the maintenance of an adequate level of regulatory capital against the market risk undertaken.
- Providing for the disclosure of information regarding the type and level of the market risk assumed and for the implementation of policies for the management thereof.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the Bank (Continued)

e) Disclosures regarding risk reporting processes provided to Board of Directors and senior management (especially on the scope and main content of reporting)

Monthly risk reports are submitted to the Board of Directors and Board Risk Committee. These executive reports include information related to capital adequacy, Market Risk, Credit Risk, Counterparty Credit Risk and Operation Risk.

Credit Risk section of the report consists of three main sub sections such as General Outlook to the Total Portfolio, Business Loans and Retail Loans, and include:

- Basic risk appetite parameters included in the Bank’s Risk Appetite Statement document;
- Exposures by segments, monthly and annual changes, portfolio growth;
- Sector concentration and risk metrics;
- Delinquency amounts, product types and delinquencies by segments, new NPLs and recoveries from NPLS;
- Detailed watchlist analyses for business segments;
- Rating distributions, PD distributions, expected loss trend, collateral structure;
- New NPLs, vintage analyses, recoveries by segments and products;
- Restructured credits by segments;
- Derivative products exposures by segments, stress testing;
- Credit risk information regarding subsidiaries.

The Risk Management Division is required to inform Senior Management and Board Member who is responsible from Internal Systems on Market Risk of Trading Book and AFS portfolio.

Reports are prepared daily and indicatively include the following:

- Estimation of the VaR on aggregate basis and by type of risk (interest rate, FX, equity);
- Estimation of stress VaR on aggregate basis and by type of risk (interest rate, FX, equity);
- Sensitivity of the trading and AFS portfolio;
- Nominal values of bond portfolios;
- Breakdowns of the portfolio and utilization of the relevant limits;
- Utilization of limits on option Greeks;
- Subsidiary VaR calculation.

In addition, Board of Directors Risk Committee Report is prepared monthly in a way covering abovementioned market risk metrics and stress tests in order to be presented to Board of Directors and Risk Committee.

Operational Risk segment reporting broadly covers the following:

- Operational risk loss events experienced in the Bank;
- Key risk indicators and risk metrics;
- Action tracking.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the Bank (Continued)

f) Disclosures regarding stress test (e.g. assets included in stress test, adapted scenarios and used methodologies and use of stress test in risk management)

Stress test constitute the center of capital planning within the scope of the Bank's APICA (Assessment Process of Internal Capital Adequacy). The Bank's general principles on these stress testing framework can be summarized as follows:

- Comprehensive stress testing, aggregated per risk category, is conducted at least annually on year end data and business plan.
- Stress testing is integrated to the ICAAP document which is subject to Board of Directors approval.
- A historical scenario is selected as an anchor scenario to be used on the construct of base adverse scenario for the stress test use. However, final scenario is applied by enriching with hypothetical components as independent from anchor scenario.
- Bank's stress testing framework encompasses sensitivity tests.
- The impact of the stress testing on the Bank's financial strength and capital position are analyzed through some key ratios and key items including but not limited to the following: Non-performing Loan Ratio, Return of Equity, Return on Asset, Leverage Ratio, Core Tier I Ratio, Capital Adequacy Ratio, Loan Balances, Balance Sheet Items, the Statement of Profit or Loss Items.
- The stress testing framework also includes reverse stress tests, where scenarios and shocks that could lead to the failure of the Bank are quantitatively or qualitatively outlined.

In scenarios using stress testing, as a result of increase in non-performing loans due to significant deterioration in asset quality and a decrease in capital adequacy, The Bank's ability to meet capital-strengthening actions and cash outflows that may occur in case of a possible liquidity crisis were tested. In this context, when potential risks are assessed, it is believed that the Bank has sufficient capacity for actions that may be taken.

Market Risk Management defines the stress test approaches as below:

- To move the risk factors parallel in one direction;
- To move the risk factors non parallel;
- To perform tests to the existing portfolio based on past extreme situations.

Trading book consists of Financial Assets at Fair Value Through Profit or Loss securities, Financial Assets at Fair Value Through Profit or Loss derivatives and open currency positions which are clearly defined in Market Risk Management Policy.

Within the scope of liquidity stress test to identify possible sources of liquidity weaknesses, scenarios that are specific to the bank, related to the market in general and taking both situations into account have been defined. Thus, the Bank's ability to meet its obligations during a funding crisis is tested. The Bank has had four different stress tests measuring how much it can meet its promises, without providing any new funds from the market or at very low levels of funds, cumulative cash outflows. For effective and sufficient liquidity risk management, the stress tests in question have been created based on crisis scenarios specific to the Bank, a general market crisis scenario, and a combined scenario in accordance with the “Guidance on Liquidity Risk Management”.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the Bank (Continued)

g) Risk management, protection and mitigation strategies and process of the Bank sourcing from its business model and Monitoring processes of continuing effects of protection and mitigation

Forecasts related to effectiveness of credit risk mitigation methods and collection ability of the Bank associated with miscellaneous collateral types are stated with consideration ratios on the basis of collaterals. The aforementioned ratios are determined based on long term historical observations of the Bank and judgement of expert business units and most importantly with precautionary principle.

Likewise, conservatism is also embedded in regulatory rules through respective haircuts, collateral eligibility requirements and so forth. Furthermore, the collaterals used as a risk mitigant in the Bank's capital adequacy calculations are predominantly cash or equivalent collaterals. The treatment of cash collaterals is straight forward, issues about recovery, and valuation are not relevant.

Regarding the exposure secured with mortgages, the new capital adequacy regime with Basel II increased the operational requirements for the recognition.

2.2. GB1 - Overview of Risk Weighted Assets

		Risk Weighted Amount		Minimum Capital Requirement	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
1.	Credit Risk (excluding counterparty Credit Risk)	811,934,405	611,260,776	64,954,752	48,900,862
2.	Standardized approach	811,934,405	611,260,776	64,954,752	48,900,862
3.	Internal rating-based approach	-	-	-	-
4.	Counterparty credit risk	13,726,603	10,392,504	1,098,128	831,400
5.	Standardized approach for counterparty credit Risk	13,726,603	10,392,504	1,098,128	831,400
6.	Internal model method	-	-	-	-
7.	Basic risk weight approach to internal models equity position in the banking account	-	-	-	-
8.	Investments made in collective investment companies - look-through approach	-	-	-	-
9.	Investments made in collective investment companies - mandate-based approach	-	-	-	-
10.	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-	-
11.	Settlement risk	-	-	-	-
12.	Securitization positions in banking accounts	-	-	-	-
13.	IRB ratings-based approach	-	-	-	-
14.	IRB Supervisory Formula Approach	-	-	-	-
15.	SA/simplified supervisory formula approach	-	-	-	-
16.	Market risk	13,237,775	12,166,450	1,059,022	973,316
17.	Standardized approach	13,237,775	12,166,450	1,059,022	973,316
18.	Internal model approaches	-	-	-	-
19.	Operational Risk	74,045,605	40,148,209	5,923,649	3,211,857
20.	Basic Indicator Approach	74,045,605	40,148,209	5,923,649	3,211,857
21.	Standard Approach	-	-	-	-
22.	Advanced measurement approach	-	-	-	-
23.	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-	-
24.	Floor adjustment	-	-	-	-
25.	TOTAL(1+4+7+8+9+10+11+12+16+19+23+24)	912,944,388	673,967,939	73,035,551	53,917,435



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

3. Linkages between financial statements and risk amount

3.1. B1 - Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts

Current Period	Carrying values of items in accordance with TAS			Not subject to capital requirements or subject to deduction from capital
	Financial statements prepared as per TAS	Subject to counterparty credit risk	Subject to the Securitization framework	
Cash and balances with the Central Bank	253,090,980	253,100,785	-	-
Trading Financial Assets ^(*)	4,986,898	-	4,970,997	1,988,341
Financial Assets at Fair Value Through Profit or Loss	12,201,005	-	-	12,201,006
Banks	15,300,879	15,325,868	-	-
Money Market Placements	150,504	150,531	-	-
Financial Assets Available-for-Sale (Net)	140,210,832	140,210,832	88,992,233	-
Loans and Receivables	870,388,461	891,680,763	-	264,300
Factoring Receivables	-	-	-	-
Held-to-maturity investments (Net)	129,166,122	129,183,829	89,940,323	-
Investment in Associates (Net)	53,737	53,737	-	-
Investment in Subsidiaries (Net)	19,531,005	17,601,030	-	1,929,975
Investment in Joint ventures (Net)	2,800	2,800	-	-
Lease Receivables	-	-	-	-
Derivative Financial Assets Held For Hedging ^(**)	5,956,427	-	5,956,427	-
Property And Equipment (Net)	21,281,303	20,772,106	-	509,197
Intangible Assets (Net)	4,407,812	9,919	-	4,397,893
Investment Property (Net)	-	-	-	-
Tax Asset	5,365,515	5,365,515	-	-
Assets Held For Resale And Related To Discontinued Operations (Net)	-	-	-	-
Other Assets	29,775,488	29,800,875	-	-
Cash and balances with the Central Bank	1,511,869,768	1,503,258,590	189,859,980	14,189,347
Liabilities				7,101,365
Deposits	880,223,329	-	-	-
Derivative Financial Liabilities Held For Trading ^(**)	7,228,941	-	-	4,321,727
Funds Borrowed	156,318,947	-	-	-
Money Markets	149,463,326	-	145,158,385	-
Marketable Securities Issued	67,182,070	-	-	-
Funds	-	-	-	-
Miscellaneous Payables ^(***)	56,849,530	-	-	-
Other Liabilities ^(***)	23,540,340	-	-	-
Factoring Payables	-	-	-	-
Lease Payables	1,678,801	-	-	-
Derivative Financial Liabilities Held For Hedging ^(**)	4,119,865	-	-	-
Provisions	10,770,199	-	-	-
Tax Liability	3,194,270	-	-	-
Liabilities For Property And Equipment Held For Sale And Related To Discontinued Operations (Net)	-	-	-	-
Subordinated Loans	32,298,839	-	-	-
Shareholder's Equity	119,001,311	-	-	-
TOTAL LIABILITIES	1,511,869,768	145,158,385	4,321,727	-

^(*) Financial assets held for trading and derivative financial assets for hedging purposes are included in the "Derivative Financial Assets" item in the financial statements.

^(**) Financial liabilities held for trading and derivative financial liabilities for hedging purposes are included in the "Derivative Financial Liabilities" item in the financial statements. ^(***) Miscellaneous payables and other liabilities are presented under "Other Liabilities" items in the financial statements.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

3. Linkages between financial statements and risk amount (Continued)

3.1. B1 - Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts (Continued)

Prior Period	Carrying values of items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
	Financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk	Subject to the Securitization framework	
Assets	162,571,776	162,579,711	5,731,425	-	-
Cash and balances with the Central Bank	-	-	-	-	-
Trading Financial Assets	5,741,087	-	-	-	2,289,167
Financial Assets at Fair Value Through Profit/Loss	2,361,969	-	-	-	1,716,023
Banks	16,791,144	16,813,703	-	-	-
Money Market Placements	5,435,434	5,435,500	301,081	-	-
Financial Assets Available-for-Sale (Net)	67,952,086	67,262,086	9,860,710	-	-
Loans and Receivables	571,043,924	589,565,688	-	-	59,395
Factoring Receivables	-	-	-	-	-
Held-to-maturity investments (Net)	102,067,867	102,093,865	30,062,937	-	-
Investment in Associates (Net)	53,722	53,722	-	-	-
Investment in Subsidiaries (Net)	9,917,876	8,191,144	-	-	1,726,732
Investment in Joint ventures (Net)	2,800	2,800	-	-	-
Lease Receivables	-	-	-	-	-
Derivative Financial Assets Held For Hedging ^(*)	7,256,625	-	7,256,625	-	-
Property And Equipment (Net)	14,484,695	14,284,809	-	-	199,786
Intangible Assets (Net)	2,189,315	-	-	-	2,189,315
Investment Property (Net)	-	-	-	-	-
Tax Asset	6,581,490	6,581,490	-	-	-
Assets Held For Resale And Related To Discontinued Operations (Net)	-	-	-	-	-
Other Assets	13,663,857	13,686,540	-	-	-
TOTAL ASSETS	987,816,567	986,642,058	53,212,778	4,005,190	4,175,228
Liabilities	-	-	-	-	-
Deposits	632,050,108	-	-	-	-
Derivative Financial Liabilities Held For Trading ^(**)	4,151,498	-	-	-	1,667,369
Funds Borrowed	104,823,642	-	-	-	-
Money Markets	28,835,615	-	28,835,615	-	-
Marketable Securities Issued	45,949,178	-	-	-	-
Funds	-	-	-	-	-
Miscellaneous Payables ^(***)	38,025,209	-	-	-	-
Other Liabilities	9,508,708	-	-	-	-
Factoring Payables	-	-	-	-	-
Lease Payables	1,151,242	-	-	-	-
Derivative Financial Liabilities Held For Hedging ^(**)	775,682	-	-	-	-
Provisions	11,836,684	-	-	-	-
Tax Liability	2,141,659	-	-	-	-
Liabilities For Property And Equipment Held For Sale And Related To Discontinued Operations (Net)	-	-	-	-	-
Subordinated Loans	26,948,856	-	-	-	-
Shareholder's Equity	81,618,386	-	-	-	-
TOTAL LIABILITIES	987,816,567	28,835,615	1,667,369	-	-

^(*) Financial assets held for trading and derivative financial assets for hedging purposes are included in the "Derivative Financial Assets" item in the financial statements.

^(**) Financial liabilities held for trading and derivative financial liabilities for hedging purposes are included in the "Derivative Financial Liabilities" item in the financial statements.

^(***) Miscellaneous payables and other liabilities are presented under "Other Liabilities" items in the financial statements.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

3. Linkages between financial statements and risk amount (Continued)

3.2. B2 - The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current period	Total	Subject To Credit Risk	Subject to the Securitization	Subject To Counterparty Credit Risk	Subject To Market Risk
1. Asset carrying value amount under scope of regulatory consolidation	1,707,307,917	1,503,258,590	-	189,859,980	14,189,347
2. Liabilities carrying value amount under regulatory scope of consolidation	149,480,112	-	-	145,158,385	4,321,727
3. Total net amount under regulatory scope of consolidation	1,557,827,805	1,503,258,590	-	44,701,595	9,867,620
4. Off-Balance Sheet Amounts	1,210,578,381	112,375,919	-	-	-
5. Differences due to different netting rules	3,370,155	-	-	-	3,370,155
6. Repo transactions	(142,484,213)	(129,972,182)	-	(12,512,031)	-
7. Potential credit risk amount calculated for the counterparty	(14,896,681)	(14,896,681)	-	-	-
Risk Amounts	2,614,395,447	1,470,765,646	-	32,189,564	13,237,775

Prior period	Total	Subject To Credit Risk	Subject to the Securitization	Subject To Counterparty Credit Risk	Subject To Market Risk
1. Asset carrying value amount under scope of regulatory consolidation	1,043,860,026	986,642,058	-	53,212,778	4,005,190
2. Liabilities carrying value amount under regulatory scope of consolidation	30,502,984	-	-	28,835,615	1,667,369
3. Total net amount under regulatory scope of consolidation	1,013,357,042	986,642,058	-	24,377,163	2,337,821
4. Off-Balance Sheet Amounts	777,638,424	76,874,478	-	-	-
5. Differences due to different netting rules	9,828,629	-	-	-	9,828,629
6. Repo transactions	(141,661,357)	(141,796,260)	-	134,903	-
7. Potential credit risk amount calculated for the counterparty	(12,411,172)	(12,411,172)	-	-	-
Risk Amounts	1,646,751,566	909,309,104	-	24,512,066	12,166,450

3.3. BA - Disclosures regarding differences between amounts valued according to TAS and risk exposures

a) None.

b) There is no significant difference between amounts valued in accordance with TAS included in B2 and risk exposures except for “Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)”. There is a significant difference between amounts valued according to TAS and risk exposures, since the securities which are subject to repurchase that include in Money Market Payables account item are subject to counter party risk.

c) Valuation methodologies regarding the disclosure related to use of Market Value and Model Value

In general terms, market risk is the possibility of making loss as a result of changes occurring in the current market values of financial assets and positions in the bank’s trading accounts. In this framework, the following elements of the Bank, which must be reflected on balance sheet over their current market values (market to market), are included in market risk.

- Equity shares included in trading, investment fund participation documents, securities such as bonds and bills.
- Open foreign exchange position with respect to each foreign currency.
- Derivative contracts (forwards) sensitive to interest changes and concluded for trading, future transactions, simple or complex options, swaps, credit derivatives are subject to market risk. Classification of Trading Accounts are made in accordance with Appendix-3 of Regulation on Measurement and Evaluation of Bank’s Capital Adequacy.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

3. Linkages between financial statements and risk amount (Continued)

3.3. BA - Disclosures regarding differences between amounts valued according to TAS and risk exposures (Continued)

Classification of Trading Accounts are made in accordance with Appendix-3 of Regulation on Measurement and Evaluation of Bank's Capital Adequacy.

QNB Bank calculates its value at market risk with standard method in the framework of “Regulation on Measurement and Evaluation of Bank's Capital Adequacy”. Accordingly, capital requirement is reached through multiplying of total of general market risk, commodity risk, settlement risk, exchange risk option risk to 12.5.

The Bank's market risk basis value is reached by determining the amounts related to market risk. The details of the analysis are as follows:

- Commodity risk analysis: Simplified approach (Standard method);
- Interest rate risk analysis: General Market Risk Calculation (Standard method - maturity approach) - Specific risk calculation (Standard method);
- Equity shares risk analysis: Position risk in equity share investments (Standard method);
- Exchange rate exposure analysis (Standard method); and
- Option risk analysis: Weighting method with delta factor (Standard method).

Securities such as equity share, bond and bills, whose market prices are monitored directly, and derivative products such as futures, which are traded in stock exchange, are reviewed over their transaction prices as of reporting date. If a security included in Financial Assets at Fair Value through Profit/Loss portfolio cannot be treated as of reporting date, it is evaluated over the price determined in scope of precautionary principles.

Market value of products, which are traded at over the counter markets such as forward foreign exchange, foreign exchange swaps and interest swaps, are calculated in line with discounting of cash flows over market interest rates. Market value of option transactions is performed based on softwares which are internationally accepted valuation methodologies

Definition of independent price approval processes

There are four main price parameters which shall have an impact on current market value of financial assets and positions held by the Banks:

- Market interest rates (bond, bill and derivative prices);
- Share Prices;
- Exchange rates; and
- Gold, other precious metals and commodity prices.

Total risk of loss sourcing from price movements (interest, equity share, exchange and commodity risk) related to financial assets and positions are called as “general market risk”.

Independency of price process is ensured through the recording and management of prices to Bank systems by back office. In addition, the pricing and valuation systems in question are also reviewed and validated by Validation Unit. Details belonging to aforementioned valuation and accounting are strictly documented and monitored by Treasury Control Unit.

Processes for valuation adjustments or differences (It includes definition of process and methodology definition for the valuation of trading positions according to type of financial instrument)

TRY borrowing instruments included in securities portfolio of Financial Assets at Fair Value through Profit/Loss account consist of government securities. The aforementioned securities are evaluated based on weighted average price traded in the market. For the TL securities not traded, market price is calculated based on CBRT prices. Average of quotation of purchase and sell in the market are accepted as market price for Foreign Currency securities included in the same portfolio.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

4. Credit Risk Disclosures

4.1. General Information on Credit Risk

4.1.1. CRA - General Qualitative Information on Credit Risk

a) Conversion of Bank's business model to components of credit risk profile

The Bank deploys forward looking, risk sensitive measurement systems and tools, including appropriate information technology applications and management information systems, to account for expected and unexpected losses in both normal and stress market conditions, for all types of risks as appropriate. The conversion of business model to components in risk profile is digitized through aforementioned instruments.

b) Criteria and approach used during the determination of credit risk policy and credit risk limits

Bank credit policies have been established to form effective and satisfactory loan allocation processes based on prudence and applicability principles in a way that it is in line with the risk boundaries set by the Bank, Bank Credit Policies and legal authorities. Pillars of credit risk management policy in Bank are;

- Rules and Regulations of BRSA (Banking Regulation and Supervision Agency).
- Decisions of institutions auditing QNB Group.
- Credit policies and procedures at Group level.
- Credit policies and procedures at Bank level.
- Risk Appetite Statement Document.
- Corporate, commercial and SME banking credit policies and corporate grading management documents.
- Individual credit and credit cards policies.

Risk Appetite Statement Document comes out as the main risk management policy document in which the Bank defines its risks, determines the risk appetite and the risk management principles. Credit risk limits are reviewed annually, consistent to risk strategy.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.1. General Information on Credit Risk (Continued)

4.1.1. CRA - General Qualitative Information on Credit Risk (Continued)

c) Structure and organization of credit risk management and control function

All of the process related to direct or indirect credit allocation, extension, monitoring and operation of the Bank in favor of individuals or legal entities are reviewed in scope of credit risk management. Activities related to capital management includes calculation of legal and economic capital requirement of annual and long term business plans of the Bank.

Activities related to Credit Risk and Capital Management are carried out by Credit Risk Analytic, Strategy and Capital Management unit. Bank's Credit Risk organization, duties and responsibilities, related units and responsibilities of those units are identified in detail in the own Credit Policy documents of the Bank, Risk Appetite Statement Document and Risk Management Department operation instruction and also main principles, applications, limits and reporting processes, which are going to be adopted in Credit Risk Management, are included.

Main responsibilities of Credit Risk Management Department are as follows:

- To establish risk management policies and strategies related to risks exposed by the Bank and to submit those policies and strategies for the approval of Board of Directors Risk Committee;
- To ensure fulfilment of risk identification, measurement, analysis, monitoring, control and mitigation activities in accordance with risk management policies and processes approved by Board of Directors and to report all significant in balance and off balance risks which are undertaken at Bank level to senior management;
- To make internal capital adequacy review covering all risks and to make forecasts related to course of capital adequacy ratio in the framework of long term business plans of the Bank;
- To make periodic stress tests and scenario analysis and establish early warning systems;
- To support decision-making processes of the Bank through providing reviews and risk point of view with respect to risk management;
- To encourage risk awareness and management culture at Bank level;
- To develop of forecasting models/approaches and the measurement monitoring of portfolio credit risk through Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD);
- Implementation of risk based Credit Classification and Expected Credit Loss (ECL) calculations under TFRS 9, determination of credit risk measurement framework, development and implementation of relevant models/approaches.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.1. General Information on Credit Risk (Continued)

4.1.1. CRA - General Qualitative Information on Credit Risk (Continued)

d) Relationship between credit risk management, risk control, legal compliance and internal audit functions

Risk governance model includes three lines of defense consisting of:

- The risk taking units (lines of business) at the first level, responsible for assessing and minimizing risks for a given level of return.
- Risk Management Unit, at the second level, identifies, monitors, controls, quantifies risk, provides appropriate tools and methodologies, provides coordination and assistance; measures risk adjusted performance across the business lines; reports to appropriate levels and proposes mitigation measures, being supported by business lines, where the risk is actually created, and specialized units.
- Internal Audit - provides the independent review function.

The Compliance function is ensuring, through proper procedures, that the requirements and deadlines provided for by the regulatory framework in force are observed. The compliance function informs all Bank employees on the relevant changes to the regulatory framework and provides guidance on the required changes to internal rules and processes. Moreover, the Compliance function cooperates as appropriate with the Risk Management unit, as compliance risk is considered a subcategory of operational risk.

Internal audit function acts as one of the three lines of defense of Bank risk Management model and provides the independent review function. Risk assessments at internal audit are carried out by internal audit department by paying attention to exposures that Bank has and controls relevant to them during audit works.

e) Disclosures regarding risk reporting processes provided to Board of Directors and senior management (especially on the scope and main content of reporting)

A Board of Directors Risk Committee Report is prepared monthly to be submitted to the Board of Directors Risk Committee, and the report mainly consists of information on capital adequacy, Market Risk, Credit Risk, Counterparty Credit Risk and Operational Risk. The main content and scope of the report contains development in risk parameters, change in risk profile, concentration and risk metrics, stress tests and results, delay amounts and rates on the basis of segments, third stage, second stage, rating and default probability distributions, aging analysis collateral structure, collection amounts by segment and product, and non-performing loan restructurings. In addition to this monthly report, a quarterly comparison analysis with peer banks based on capital adequacy and credit risk metrics is reported to senior management and the board of directors.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.2. CR1 - Credit quality of assets

Gross carrying values of as per TAS				
Current Period	Defaulted Exposures	Non-defaulted Exposures	Provision/ Allowances/ Impairments	Net Values
1. Loans	24,623,972	886,374,722	40,610,233	870,388,461
2. Debt Securities	-	269,377,557	17,707	269,359,850
3. Off-balance sheet Exposures	-	1,039,170,022	1,624,556	1,037,545,466
4. Total	24,623,972	2,194,922,301	42,252,496	2,177,293,777

Gross carrying values of as per TAS				
Prior Period	Defaulted Exposures	Non-defaulted Exposures	Provision/ Allowances/ Impairments	Net Values
1. Loans	10,454,474	587,593,678	27,004,228	571,043,924
2. Debt Securities	-	169,445,951	25,998	169,419,953
3. Off-balance sheet exposures	-	586,382,774	1,938,203	584,444,571
4. Total	10,454,474	1,343,422,403	28,968,429	1,324,908,448

4.3. CR2 - Changes in stock of defaulted loans and debt securities

	Current Period	Prior Period
1. Defaulted loans and debt securities at end of the previous reporting period	10,454,474	9,024,926
2. Loans and debt securities that have defaulted since the last reporting period	22,501,262	5,011,372
3. Returned to non-defaulted status	-	-
4. Amounts written off ^(*)	1,829,904	917,816
5. Other changes ^(**)	6,501,860	2,664,008
6. Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	24,623,972	10,454,474

^(*) The current period includes the sale of non-performing loan receivables amounting to TL 1,743,573 (31 December 2023 - TL 907,703).

^(**) Includes collections from credits in default.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

II. Explanations on Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.4. CRB - Additional disclosures related to credit quality of assets

- a) The criteria taken into consideration by the Bank in determining the impairment are explained in footnote VIII of the third section.
- b) There is no part of past due receivables which is not reviewed as “loans subject to provisioning”.
- c) The Bank’s specific provision calculation is explained in footnote VIII of the third section.
- d) In receivables of the customers having difficulties in payment of receivables to the Bank or expected to have possible difficulties in payments then receivables in aforementioned scope are identified as “restructured receivables”.
- e) Exposures provisioned according to major regions, major sectors and remaining maturity.

Exposures provisioned against by major regions

Country	Current Period	Prior Period
Türkiye	882,515,564	585,238,969
European Union (EU) Countries	685	803
USA, Canada	-	2
OECD Countries ^(*)	1,093,507	2,236
Off-Shore Banking Regions	784,288	869,732
Other	1,980,678	1,481,936
Total^(*)	886,374,722	587,593,678

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



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.4. CRB - Additional disclosures related to credit quality of assets (Continued)

e) Exposures provisioned according to major regions, major sectors and remaining maturity (Continued)

Exposures provisioned against by major sectors

	Current Period	Prior Period
1. Agriculture	4,171,379	3,206,115
1.1. Farming and Raising Livestock	2,516,896	2,235,461
1.2. Forestry	62,820	36,489
1.3. Fishing	1,591,663	934,165
2. Manufacturing	179,403,349	111,625,809
2.1. Mining and Quarrying	1,669,523	963,553
2.2. Production	166,119,768	98,017,568
2.3. Electricity, Gas, Water	11,614,058	12,644,688
3. Construction	22,537,373	15,096,310
4. Services	268,204,619	195,069,797
4.1. Wholesale and retail trade	106,744,430	71,954,428
4.2. Hotel, food and beverage services	24,598,095	16,809,256
4.3. Transportation and telecommunication	55,971,907	46,529,727
4.4. Financial institutions	30,333,525	15,737,101
4.5. Real estate and leasing services	29,683,388	26,671,005
4.6. Self-employment services	6,312,908	4,064,145
4.7. Education services	1,373,848	931,756
4.8. Health and social services	13,186,518	12,372,379
5. Other	412,058,002	262,595,647
6. Total	886,374,722	587,593,678

Breakdown of Loans according to remaining maturity

Current Period	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans and Receivables ^(*)	-	311,572,897	125,739,603	288,977,940	134,972,814	25,111,468	886,374,722

^(*) Provision amounts have been deducted from current period balances.

Prior Period	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans and Receivables ^(*)	-	194,793,166	91,222,484	181,143,255	88,307,276	32,127,497	587,593,678

^(*) Provision amounts have been deducted from current period balances.

f) Exposures provisioned against by major regions and Loans written off during the period an uncollectible

Loan Amounts provisioned on the basis of by geographical regions Loans written off during the assets

Current Period	Loans Subject to Provision	Provision	Written-off from Assets
Türkiye	24,562,950	19,000,813	1,829,904
European Union (EU) Countries	27	16	-
USA, Canada	-	-	-
OECD Countries ^(*)	-	-	-
Off-Shore Banking Regions	-	-	-
Other Countries	60,995	52,802	-
Total	24,623,972	19,053,631	1,829,904

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.4. CRB - Additional disclosures related to credit quality of assets (Continued)

f) Exposures provisioned against by major regions and Loans written off during the period an uncollectible (Continued)

Loan Amounts provisioned on the basis of by geographical regions Loans written off during the assets (Continued)

Prior Period	Loans Subject to Provision	Provision	Written-off from Assets
Türkiye	10,437,391	8,405,257	917,816
European Union (EU) Countries	26	15	-
USA, Canada	-	-	-
OECD Countries ^(*)	-	-	-
Off-Shore Banking Regions	-	-	-
Other Countries	17,057	16,798	-
Total	10,454,474	8,422,070	917,816

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

Exposures provisioned against by major sectors and Loans written off

	Current Period			Prior Period		
	Loans subject to provision	Provision	Written-off from Assets	Loans subject to provision	Provision	Written-off from Assets
1. Agriculture	122,742	103,080	17,152	149,260	130,447	19,541
1.1. Farming and Raising Livestock	111,959	95,813	17,096	147,266	128,469	19,232
1.2. Forestry	1,364	917	10	104	104	-
1.3. Fishing	9,419	6,350	46	1,890	1,874	309
2. Industrial	2,289,052	1,881,535	38,258	1,901,346	1,628,688	51,068
2.1. Mining and Quarrying	49,299	40,552	142	24,341	20,123	231
2.2. Production	2,165,169	1,769,228	38,021	1,817,317	1,548,909	50,647
2.3. Electricity. Gas. Water	74,584	71,755	95	59,688	59,656	190
3. Construction	621,682	404,165	16,882	681,351	462,520	26,317
4. Services	3,300,416	2,469,342	226,218	2,793,202	2,243,542	227,358
4.1. Wholesale and Retail Trade	2,020,224	1,705,645	166,036	1,452,396	1,303,247	168,886
4.2. Hotel. Food and Beverage Services	145,166	125,516	24,858	145,729	125,409	22,959
4.3. Transportation and Communication	154,867	128,789	18,202	96,911	89,297	17,995
4.4. Financial Institutions	10,246	9,626	467	9,919	9,248	536
4.5. Real Estate and Renting Services	824,995	376,870	2,919	799,465	439,812	5,900
4.6. Self-Employment Services	96,070	79,559	8,834	232,558	225,536	6,221
4.7. Educational Services	17,597	16,525	2,097	26,928	24,901	1,436
4.8. Health and Social Services	31,251	26,812	2,805	29,296	26,092	3,425
5. Other	18,290,080	14,195,509	1,531,394	4,929,315	3,956,873	593,532
6. Total	24,623,972	19,053,631	1,829,904	10,454,474	8,422,070	917,816

g) Aging Analysis

Overdue Days	Current Period	Prior Period
0-30	872,233,772	582,034,490
31-60	10,199,904	4,080,208
61-90	3,941,046	1,478,980
90+	24,623,972	10,454,474
Total	910,998,694	598,048,152



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

5. Credit risk mitigation

5.1. CRM - Qualitative disclosure on credit risk mitigation techniques

Collateralization is used as main risk mitigation method. Tangible and intangible assets which can be accepted as collateral and their consideration rates are defined in detail in instructions. The Bank follows a conservative approach in collateral valuation. The value of the collateral is determined both with independent valuation and also internal valuation.

Legality and operational applicability are the precondition for the validity of collaterals. Legal teams should have performed sufficient legal examinations and confirmed all legal regulations related to collateral and validity of collateral before the receipt of the collateral. In addition, all contracts and other related documents should be obtained.

Collateral value should not have a positive correlation with the credit worthiness of the debtor.

Monitoring of collateral values is important to maintain credit quality. Market value of the collateral is periodically reviewed in line with determined frequency in directives and necessary precautions are taken when there is a significant deterioration indication in market value of the collateral.

Insurance policies of the collaterals should be obtained.

Collateral value meets Debt-Collateral ratio determined for credit type or specific sectors legally or in internal application of the Bank.

The Bank takes netting agreements concluded with counterparties into account in the framework of rules mentioned in scope of Appendix-2 of Regulation on Measurement and Evaluation of Bank’s Capital Adequacy during the counterparty risk measurement.

5.2. CR3 - Credit risk mitigation techniques - Overview

Current Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1.	Loans	849,339,067	21,049,394	11,096,539	-	-	-	-
2.	Debt securities	269,359,850	-	-	-	-	-	-
3.	Total	1,118,698,917	21,049,394	11,096,539	-	-	-	-
4.	Of which defaulted	5,417,452	152,889	1,691	-	-	-	-

Prior Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1.	Loans	556,519,283	14,524,641	9,094,694	-	-	-	-
2.	Debt securities	169,419,953	-	-	-	-	-	-
3.	Total	725,939,236	14,524,641	9,094,694	-	-	-	-
4.	Of which defaulted	1,952,256	80,149	20,088	-	-	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

6. Credit risk when standard approach is used

6.1. CRA - Qualitative disclosures which shall be made related to grading marks used by the Banks while calculating credit risk with standard approach

- a) Ratings of Fitch and JCR Avrasya Derecelendirme A.Ş. credit rating agencies are used in credit risk standard approach calculations.
- b) Ratings of Fitch credit rating agency are used to determine the risk weights of receivables from central governments or central banks, receivables from banks and intermediary institutions, which are subject to risk classes. The ratings of JCR Avrasya Değerlendirme A.Ş. are used in determining the risk weights for corporate receivables subject to risk categories.
- c) Mark is assigned to a debtor by taking for all assets of the debtor into account.
- d) CRA, which is not included in twinning table of the institution, is not used.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.2. CR4 - Standard Approach- Credit risk exposure and credit risk mitigation (CRM) effects

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure Categories						
1. Exposures to central governments or central banks	473,929,527	-	475,130,388	-	-	0%
2. Exposures to regional governments or local authorities	179,514	20,115	179,514	-	89,757	50%
3. Exposures to public sector entities	846,927	296,875	716,613	63,480	780,093	100%
4. Exposures to multilateral development banks	-	-	-	-	-	0%
5. Exposures to international organizations	-	-	-	-	-	0%
6. Exposures to institutions	29,815,924	7,838,829	29,815,691	4,477,976	15,315,619	45%
7. Exposures to corporates	260,421,664	237,467,936	251,890,298	76,136,673	306,664,347	93%
8. Retail exposures	496,099,799	924,404,505	492,468,092	14,422,741	380,168,125	75%
9. Exposures secured by residential property	5,281,036	705,370	5,281,036	380,227	1,981,442	35%
10. Exposures secured by commercial real estate	28,949,769	6,403,993	28,949,769	3,029,531	21,580,636	67%
11. Past-due loans	5,155,349	-	5,153,658	-	2,880,162	56%
12. Higher-risk categories by the Agency Board	3,020,446	15,354	3,018,355	6,462	14,344,439	474%
13. Exposures in the form of covered bonds	-	-	-	-	-	0%
14. Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15. Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16. Other assets	61,987,574	455,718	61,987,574	-	50,471,898	81%
17. Investments in equities	17,657,568	-	17,657,568	-	17,657,568	100%
18. Total	1,383,345,097	1,177,608,695	1,372,248,556	98,517,090	811,934,086	55%



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.2. CR4 - Standard Approach- Credit risk exposure and credit risk mitigation (CRM) effects (Continued)

Prior Period	Exposure Categories	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1.	Exposures to central governments or central banks	275,425,552	-	276,442,771	-	-	-
2.	Exposures to regional governments or local authorities	177,626	115	177,626	-	88,813	50%
3.	Exposures to public sector entities	663,115	292,560	663,115	62,192	725,307	100%
4.	Exposures to multilateral development banks	-	-	-	-	-	-
5.	Exposures to international organizations	-	-	-	-	-	-
6.	Exposures to institutions	24,282,778	5,969,144	24,278,776	3,470,039	10,327,335	37%
7.	Exposures to corporates	143,377,020	174,839,277	137,017,317	45,599,860	170,708,870	93%
8.	Retail exposures	224,098,701	533,016,298	220,432,133	12,446,638	183,972,551	79%
9.	Exposures secured by residential property	2,664,150	328,547	2,664,150	174,382	993,486	35%
10.	Exposures secured by commercial real estate	14,809,568	3,367,436	14,809,568	1,708,260	11,606,690	70%
11.	Past-due loans	1,820,351	-	1,800,361	-	1,012,204	56%
12.	Higher-risk categories by the Agency Board	122,179,318	221,174	122,117,665	137,500	195,674,096	160%
13.	Exposures in the form of covered bonds	-	-	-	-	-	-
14.	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15.	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16.	Other assets	37,010,020	1,481,019	37,010,020	-	27,854,558	75%
17.	Investments in equities	8,296,731	-	8,296,731	-	8,296,731	100%
18. Total		854,804,930	719,515,570	845,710,233	63,598,871	611,260,641	67%



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.3. CR5 - Standard approach - exposures by asset classes and risk

Current Period											Total Credit Risk Exposure Amount
Exposure Categories/ Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	Others		
1. Exposures to central governments or central banks	475,130,388	-	-	-	-	-	-	-	-	475,130,388	
2. Exposures to regional governments or local authorities	-	-	-	-	179,514	-	-	-	-	179,514	
3. Exposures to public sector entities	-	-	-	-	-	-	780,093	-	-	780,093	
4. Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	
5. Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	
6. Exposures to institutions	-	-	6,352,472	-	27,792,140	-	149,055	-	-	34,293,667	
7. Exposures to corporates	-	-	13,996,674	-	20,330,570	-	293,699,727	-	-	328,026,971	
8. Retail exposures	-	-	-	-	-	506,890,833	-	-	-	506,890,833	
9. Exposures secured by residential property	-	-	-	5,661,263	-	-	-	-	-	5,661,263	
10. Exposures secured by commercial real estate	-	-	-	-	20,797,329	-	11,181,971	-	-	31,979,300	
11. Past-due loans	-	-	-	-	4,546,992	-	606,666	-	-	5,153,658	
12. Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	222,756	2,802,061	3,024,817	
13. Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	
14. Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	
15. Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	
16. Investments in equities	-	-	-	-	-	-	17,657,568	-	-	17,657,568	
17. Other Assets	11,515,676	-	-	-	-	-	50,471,898	-	-	61,987,574	
18. Total	486,646,064	-	20,349,146	5,661,263	73,646,545	506,890,833	374,546,978	222,756	2,802,061	1,470,765,646	



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.3. CR5 - Standard approach - exposures by asset classes and risk (Continued)

Prior Period											Total Credit Risk Exposure Amount
Exposure Categories/ Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	Others		
1. Exposures to central governments or central banks	276,442,771	-	-	-	-	-	-	-	-	276,442,771	
2. Exposures to regional governments or local authorities	-	-	-	-	177,626	-	-	-	-	177,626	
3. Exposures to public sector entities	-	-	-	-	-	-	725,307	-	-	725,307	
4. Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	
5. Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	
6. Exposures to institutions	-	-	11,991,043	-	15,657,289	-	100,483	-	-	27,748,815	
7. Exposures to corporates	-	-	8,530,534	-	10,167,756	-	163,918,887	-	-	182,617,177	
8. Retail exposures	-	-	-	-	-	195,624,875	37,253,896	-	-	232,878,771	
9. Exposures secured by residential property	-	-	-	2,838,532	-	-	-	-	-	2,838,532	
10. Exposures secured by commercial real estate	-	-	-	-	9,822,275	-	6,695,553	-	-	16,517,828	
11. Past-due loans	-	-	-	-	1,576,316	-	224,045	-	-	1,800,361	
12. Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	100,411,928	21,843,237	122,255,165	
13. Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	
14. Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	
15. Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	
16. Investments in equities	-	-	-	-	-	-	8,296,731	-	-	8,296,731	
17. Other Assets	9,155,344	-	148	-	-	-	27,854,528	-	-	37,010,020	
18. Total	285,598,115	-	20,521,725	2,838,532	37,401,262	195,624,875	245,069,430	100,411,928	21,843,237	909,309,104	



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

7. Disclosures regarding counterparty credit risk

7.1. Qualitative disclosures regarding DCCR - CCR table

a) Counterparty credit risk (CCR) states default risk of counterparty, which is a party to a transaction imposing an obligation to both parties, going into default before the final payment included in cash flow of the transaction in question. CCR causes credit risk for banks carrying out money and capital market transactions. Derivative financial instruments, repo and reverse repo transactions, securities and commodities lending transactions, transactions having long clearing process and margin trading transactions are considered in the aforementioned scope.

The most significant part of CCR in the Bank is sourced from derivative financial instruments. Derivative transactions are made with financial institutions, individual and commercial customers for the purposes of trading, management of interest risk of banking accounts and meeting customer demands.

CCR is managed within the framework of the Counterparty Credit Policy approved by the Board of Directors. In this policy, the scope of the CCR, the risk calculation method, and the distribution of responsibility distribution were determined. The general lines determined in the CCR policy are detailed with the Derivative Products Application Instructions.

Main Bank does make a distinction between banks, non-bank financial institutions and individual customers with respect to counterparty credit risk. Transactions made with non-bank financial institutions are reviewed in the framework of corporate-commercial credit risk while banks are considered in the framework of financial institutions.

Derivative risk amount which can be carried by the customer is limited within the credit policies framework. Related risk and limit amounts are monitored on a daily basis and when a collateral shortfall exists, shortfall collateral amount is completed in line with given standards in Derivative Products Application Instruction.

b) A clear definition of risk appetite and its approval by Board of Directors is the precondition to establish a consistent risk limit system. The Bank has determined the following limit structure in order to limit the risk carried over derivative transactions. Those limits are determined in Market Risk Policy and approved by Board of Directors.

- Limits on option sensitivity indexes basis: Maximum risk which can be taken in delta, gama and vega positions is limited.
- Option nominal position limit: Maximum nominal position which can be taken on option type basis is limited.
- Interest sensitivity limit of forward exchanges included in trading accounts: Interest risk which can be carried by swap and forward exchanges made for the purposes of trading.

Derivative limit on the basis of customer has been prepared in addition to abovementioned limit structure. The Bank has established required control mechanism in order to stay in the framework of determined limits.

c) CCR is tried to be reduced with various techniques. The Bank uses daily exchange limits in addition to credit support and global repo agreements in order to reduce exchange risk. Limits, defined for financial institutions, are allocated according to creditability of counterparty and monitored as real time and online. Parties, having over the counter transactions with the Bank, are financial institutions which are well known and having a long term of business relationship.

d) Countertrend risk states that probability of default of counterparty has a positive correlation with general market risk factors. The Bank monitors impacts of market risk factors such as interest and exchange on customer credit risk. Especially, in periods having sharp financial movements, required actions are taken in line with analysis performed.

e) If there is a decline in credit rating grade, there is no additional collateral amount which must be provided by the Bank.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

7. Disclosures regarding counterparty credit risk (Continued)

7.2. CCR1 - Assessment of Counterparty Credit Risk according to the models of measurement

Current Period	Revaluation Cost	Potential credit risk exposure	EEPE	The alpha used to calculate the legal risk amount	Exposure after credit risk mitigation	Risk Weighted Amounts
1. Standard approach - CCR (for derivatives)	3,974,407	2,634,076	-	1,4	9,251,876	4,724,925
2. Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	-	-
3. The simple method used to mitigate credit risk - repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions.	-	-	-	-	-	-
4. Comprehensive method for reducing credit risk - (for repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	22,937,689	7,726,933
5. Repo transactions, securities or commodity lending or borrowing transactions, long-term transactions with risk exposure value for credit securities transactions	-	-	-	-	-	-
6. Total	-	-	-	-	-	12,451,858



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

7. Disclosures regarding counterparty credit risk (Continued)

7.2. CCR1 - Assessment of Counterparty Credit Risk according to the models of measurement (Continued)

Prior Period	Revaluation Cost	Potential credit risk exposure	EEPE	The alpha used to calculate the legal risk amount	Exposure after credit risk mitigation	Risk Weighted Amounts
1. Standard approach - CCR (for derivatives)	5,250,185	3,689,064	-	1,4	12,514,949	4,095,651
2. Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	-	-
3. The simple method used to mitigate credit risk - repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions.	-	-	-	-	-	-
4. Comprehensive method for reducing credit risk - (for repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	11,997,117	4,397,153
5. Repo transactions, securities or commodity lending or borrowing transactions, long-term transactions with risk exposure value for credit securities transactions	-	-	-	-	-	-
6. Total	-	-	-	-	-	8,492,804

7.3. CCR2 - Credit valuation adjustment (CVA) capital charge

	Exposure (After credit risk mitigation methods)		Risk Weighted Amounts	
	Current Period	Prior Period	Current Period	Prior Period
Total portfolio value with comprehensive approach CVA capital adequacy	-	-	-	-
1. (i) Value at risk component (3*multiplier included)	-	-	-	-
2. (ii) Stressed Value at Risk (3*multiplier included)	-	-	-	-
3. Total portfolio value with simplified approach CVA capital adequacy	9,251,876	12,514,949	1,274,745	1,899,700
4. Total amount of CVA capital adequacy	9,251,876	12,514,949	1,274,745	1,899,700



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

7. Disclosures regarding counterparty credit risk (Continued)

7.4. CCR3 - Standardised approach - CCR exposures by regulatory portfolio and risk weights

Current Period										Total Credit Risk
Exposure Categories/Risk Weight	0%	10%	20%	50%	75%	100%	150%	Others		
1. Exposures from central governments or central banks	-	-	-	-	-	-	-	87,447	87,447	
2. Exposures from regional or local governments	-	-	-	-	-	-	-	-	-	
3. Exposures from administrative units and non-commercial enterprises	-	-	-	-	-	27	-	-	27	
4. Exposures from multilateral development banks	-	-	-	-	-	-	-	-	-	
5. Exposures from international organizations	-	-	-	-	-	-	-	-	-	
6. Exposures from banks and brokerage houses	-	-	15,204,383	14,512,906	-	-	-	-	29,717,289	
7. Exposures from corporates	-	-	209,116	116,115	-	2,032,774	-	-	2,358,005	
8. Retail receivables	-	-	-	-	26,797	-	-	-	26,797	
9. Mortgage receivables	-	-	-	-	-	-	-	-	-	
10. Overdue receivables	-	-	-	-	-	-	-	-	-	
11. High risk defined receivables	-	-	-	-	-	-	-	-	-	
12. Mortgage backed securities	-	-	-	-	-	-	-	-	-	
13. Securitization Positions	-	-	-	-	-	-	-	-	-	
14. Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-	
15. Collective investment undertaking investments	-	-	-	-	-	-	-	-	-	
16. Equity Investments	-	-	-	-	-	-	-	-	-	
17. Other Receivables	-	-	-	-	-	-	-	-	-	
18. Other Assets	-	-	-	-	-	-	-	-	-	
19. Total	-	-	15,413,499	14,629,021	26,797	2,032,801	-	87,447	32,189,565	



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

7. Disclosures regarding counterparty credit risk (Continued)

7.4. CCR3 - Standardised approach - CCR exposures by regulatory portfolio and risk weights (Continued)

Prior Period										
Exposure Categories/Risk Weight	0%	10%	20%	50%	75%	100%	150%	Others	Total Credit Risk	
1. Exposures from central governments or central banks	3,353,343	-	-	-	-	-	-	153,086	3,506,429	
2. Exposures from regional or local governments	-	-	-	-	-	-	-	-	-	
3. Exposures from administrative units and non-commercial enterprises	-	-	-	-	-	6	-	-	6	
4. Exposures from multilateral development banks	-	-	-	-	-	-	-	-	-	
5. Exposures from international organizations	-	-	-	-	-	-	-	-	-	
6. Exposures from banks and brokerage houses	-	-	8,290,741	10,963,195	-	32,883	-	-	19,286,819	
7. Exposures from corporates	-	-	416,315	122,973	-	1,150,855	-	-	1,690,143	
8. Retail receivables	-	-	-	-	28,669	-	-	-	28,669	
9. Mortgage receivables	-	-	-	-	-	-	-	-	-	
10. Overdue receivables	-	-	-	-	-	-	-	-	-	
11. High risk defined receivables	-	-	-	-	-	-	-	-	-	
12. Mortgage backed securities	-	-	-	-	-	-	-	-	-	
13. Securitization Positions	-	-	-	-	-	-	-	-	-	
14. Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-	
15. Collective investment undertaking investments	-	-	-	-	-	-	-	-	-	
16. Equity Investments	-	-	-	-	-	-	-	-	-	
17. Other Receivables	-	-	-	-	-	-	-	-	-	
18. Other Assets	-	-	-	-	-	-	-	-	-	
19. Total	3,353,343	-	8,707,056	11,086,168	28,669	1,183,744	-	153,086	24,512,066	

7.5. CCR4 - Risk Class and Counterparty Credit Risk on the basis of Possibility of Default

Related table is not presented due to standard method is used for calculation of capital adequacy (31 December 2023 - None).

7.6. CCR5 - Composition of collateral for CCR exposure

Current Period	Collaterals for Derivatives				Collaterals or Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-Local Currency	-	98,363	-	811,534	42,268,949	-
Cash - Foreign Currency	-	3,865,362	-	5,198,458	102,539,175	-
Government bond - Domestic	-	-	-	-	-	-
Government bond - Other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bond	-	-	-	-	-	-
Equity share	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	-	3,963,725	-	6,009,992	144,808,124	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

7. Disclosures Regarding Counterparty Credit Risk (Continued)

7.6. CCR5 - Composition of collateral for CCR exposure (Continued)

Prior Period	Collaterals for Derivatives				Collaterals or Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-Local Currency	-	47,999	-	737,134	24,811,951	-
Cash - Foreign Currency	-	8,003,192	-	3,025,514	1,873,538	-
Government bond-domestic	-	-	-	-	-	-
Government bond-other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bond	-	-	-	-	-	-
Equity share	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	-	8,051,191	-	3,762,648	26,685,489	-

7.7. CCR6 - Credit derivatives

Related table is not presented due to the Bank has no risk arrived from derivative credit received or sold.
(31 December 2023 - None)

7.8. CCR7 - RWA changes on CCR within the internal model method

Related table is not presented due to usage of standard approach for the calculation of capital adequacy
(31 December 2023 - None).

7.9. CCR8 - Exposures to central counterparties

	Current Period		Prior Period	
	Exposure at Default (Post - CRM)	RWA	Exposure at Default (Post - CRM)	RWA
1. Exposure to Qualified Central Counterparties (QCCPs) Total	198,446	2,094	158,086	3,062
2. Exposures for trades at QCCPs (excluding initial margin and default fund contributions) of which	110,999	345	-	-
3. (i) OTC Derivatives	87,447	1,749	158,086	3,062
4. (ii) Exchange-traded Derivatives	-	-	-	-
5. (iii) Securities financing transactions	-	-	-	-
6. (iv) Netting sets where cross-product netting has been approved	-	-	-	-
7. Segregated initial margin	-	-	-	-
8. Non-segregated initial margin	-	-	-	-
9. Pre-funded default fund contributions	-	-	-	-
10. Unfunded default fund contributions	-	-	-	-
11. Exposures to non-QCCPs (total)	-	-	-	-
12. Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13. (i) OTC Derivatives	-	-	-	-
14. (ii) Exchange-traded Derivatives	-	-	-	-
15. (iii) Securities financing transactions	-	-	-	-
16. (iv) Netting sets where cross-product netting has been approved	-	-	-	-
17. Segregated initial margin	-	-	-	-
18. Non-segregated initial margin	-	-	-	-
19. Pre-funded default fund contributions	-	-	-	-
20. Unfunded default fund contributions	-	-	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

8. Securitization exposures

The Bank has no securitization transactions. (31 December 2023 - None).

9. Disclosures regarding Market Risk (Continued)

9.1. MRD - Qualitative information which shall be disclosed to public related to market risk

a) Market risk states the risk sourcing from change in market prices on positions held in order to make profit in trading accounts in line with short term expectations in market prices or interest rates. Financial Assets at Fair Value through Profit/Loss accounts covers all derivative products except for financial assets held for trading, open exchange position and having hedging purposes.

The Bank has established a structure to effectively define, monitor and manage the risk sourcing from changes in market prices including interest rates, stocks, bond prices, exchange rates and uncertainty of aforementioned prices in their volatility levels. The aforementioned structure is determined in Market Risk Policy of the Bank which is approved by the Board of Directors. This policy determines principles, measurement methods, processes and limits covering all transactions of the Bank sourcing from market risk.

Market risk is calculated and reported on a monthly basis with standard method for capital adequacy calculation in line with regulation on Measurement and Evaluation of Bank's Capital Adequacy published by BRSA.

Market risk also includes value at risk limits in line with internal policies based on internal model. Limits include value at risk limits, positions, limits on options sensitivity and loss cessation limits for each of the market risk types.

b) Risk Committee of the Bank is responsible to ensure implementation of market risk strategy and policies in a consistent manner. Market risk unit operates totally independent from risk carrying units and directly subject to Risk Committee of the Bank in given authorization and responsibilities framework.

Internal Control Department is responsible for the evaluation of internal control system related to market risk through periodical independent audits. Required system evaluation reports are shared with Board of Directors and other related authorities. Risk Committee of Board of Directors provides holding of sufficient capital against market risk carried by QNB Bank.

c) The Bank makes its capital calculation for market risk in accordance with standard method approach defined in Basel II first pillar. Capital calculation method for each risk category is made by BRSA in line with Basel standards as of month-ends as solo and consolidated.

The Bank calculates market risk with value at risk approach for the purpose of monitoring and management of risk at the Bank except for standard method. The aforementioned calculation is made both for the risk of trading portfolio and the risk of positions of the trading desk. Value at risk calculation is made daily with historical simulation at 99% confidence interval through 252 working days observation period and exponential weighted moving average volatility assumption. Dynamic structure of the volatility is reached through giving weight to recent observations in exponential weighted moving average. In addition to the VaR calculation, risk amounts are calculated by stress VaR and stress tests, taking into account the risk that may occur during stress periods.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

9. Disclosures regarding Market Risk (Continued)

9.2. MR1 - Standardized approach

		RWA ^(*)	
		Current Period	Prior Period
	Outright products ^(*)	13,205,839	11,314,176
1.	Interest rate risk (general and specific)	3,680,538	2,569,188
2.	Equity risk (general and specific)	2,151,100	549,325
3.	Foreign exchange risk	6,997,313	7,234,563
4.	Commodity risk	376,888	961,100
	Options	31,938	852,275
5.	Simplified approach	-	-
6.	Delta-plus method	31,938	852,275
7.	Scenario approach	-	-
8.	Securitization	-	-
9.	Total	13,237,777	12,166,451

^(*) Outright products refer to position in products that are not optional.

^(**) The Market Risk represents the capital requirement multiplied by 12.5 times Risk Weighted Amount.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on Risk Management (Continued)

10. Explanations related to the operational risk

The amount subject to operational risk is calculated in accordance with the ‘Regulation on Measurement and Assessment of Capital Adequacy of Banks’ published in the Official Gazette dated 28 June 2012 and numbered 28337. In accordance with Section 3 ‘Calculation of the Amount Subject to Operational Risk’, the amount subject to operational risk is calculated by using the ‘Basic Indicator Method’ by using the year-end gross revenues of the Bank for the last 3 years 2023, 2022 and 2021. As of 31 December 2024, the amount subject to operational risk is TL 74,045,600 (31 December 2023 - TL 40,148,213).

Current Year Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	12,088,533	42,847,205	63,537,231	39,490,990	15	5,923,648
Value at operational risk (Total*12.5)						74,045,600
Prior Year Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	9,301,396	12,088,532	42,847,206	21,412,378	15	3,211,857
Value at operational risk (Total*12.5)						40,148,213

Annual gross income is calculated by deducting the profit/loss arising from the sale of securities followed up in the securities available for sale and held-to-maturity accounts, the extraordinary incomes and the amounts indemnified from insurance, from the sum of the net amounts of interest income and non-interest income.

III. Explanations on Foreign Currency Exchange Rate Risk

1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Bank sets limits for positions that are monitored daily

The difference between the Bank’s foreign currency denominated and foreign currency indexed assets and liabilities is defined as the “Net Foreign Currency Position” and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure (“cross currency risk”).

Board of Directors determine the limits considering the consistency with the “Foreign Currency Net General Position.” Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Bank strategy and updated as deemed necessary.

In measuring the exchange rate exposure of the Bank, the “standard method” used in the legal reports and the internal method are used in the VaR. The measurements made within the scope of the standard method are carried out monthly and the measurements made within the scope of VaR calculations are carried out on a daily basis. In addition, the maximum foreign currency position that can be taken is determined on the basis of foreign currency types and table, and daily limit compliance control is performed by Risk Management.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on Foreign Currency Exchange Rate Risk (Continued)

2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives

The Bank hedges foreign currency borrowings with derivative instruments. The Bank does not hedge net foreign currency investments with derivative instruments. The extent of the hedging of foreign currency debt instruments and net foreign currency investments by hedging derivative instruments is explained in Note III of Section Five.

3. Bank's spot foreign exchange bid rates of the Bank as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet
Euro purchase rate at the date of the balance sheet

TL 35.2803
TL 36.7362

Date	US Dollar	Euro
31 December 2024	35.2803	36.7362
30 December 2024	35.2233	36.7429
27 December 2024	35.1368	36.6134
26 December 2024	35.2033	36.6076
25 December 2024	35.2162	36.6592



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on Foreign Currency Exchange Rate Risk (Continued)

4. The basic arithmetical average of the Bank’s foreign exchange bid rate for the last thirty days

The arithmetical average of the Bank’s US Dollar and Euro purchase rates for December 2024 are TL 34.5176 and TL 36.7960 respectively.

5. Information on the foreign currency exchange rate risk

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽¹⁾	22,396,747	77,676,541	9,507,581	109,580,869
Due From Banks ⁽²⁾	5,817,813	8,229,885	1,248,850	15,296,548
Financial Assets at Fair Value through Profit/Loss ⁽³⁾	1,324,663	3,713,735	4,465	5,042,863
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	20,053	24,131,798	-	24,151,851
Loans and Receivables ⁽⁴⁾	131,031,578	141,201,838	76,462	272,309,878
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost	2,549,578	33,921,949	-	36,471,527
Derivative Financial Assets Hedging Purposes	87,951	2,873,113	-	2,961,064
Tangible Assets	-	-	609	609
Intangible Assets	-	-	-	-
Other Assets ⁽⁵⁾	117,765	143,377	2,708	263,850
Total Assets	163,346,148	291,892,236	10,840,675	466,079,059
Liabilities				
Bank Deposits	5,807,078	36,521,526	1,360,555	43,689,159
Foreign Currency Deposits ⁽⁶⁾	58,764,092	103,773,998	68,406,155	230,944,245
Money Market Borrowings	-	48,467,653	-	48,467,653
Funds Provided from Other Financial Institutions	27,888,332	149,359,558	-	177,247,890
Securities Issues	4,322,847	60,914,408	9,938,508	75,175,763
Sundry Creditors	1,101,325	4,767,567	85,102	5,953,994
Derivative Fin. Liabilities for Hedging Purposes	77,716	968,056	-	1,045,772
Other Liabilities ⁽⁷⁾	2,168,934	2,050,791	59,754	4,279,479
Total Liabilities	100,130,324	406,823,557	79,850,074	586,803,955
Net Balance Sheet Position	63,215,824	(114,931,321)	(69,009,399)	(120,724,896)
Net Off-Balance Sheet Position	(63,147,786)	117,323,337	70,625,850	124,801,401
Financial Derivative Assets	94,812,418	375,173,872	72,564,216	542,550,506
Financial Derivative Liabilities	157,960,204	257,850,535	1,938,366	417,749,105
Non-Cash Loans ⁽⁸⁾	37,862,383	32,781,475	2,763,458	73,407,316
Prior Period				
Total Assets	145,576,902	195,214,824	10,079,398	350,871,124
Total Liabilities	95,850,513	317,123,697	47,898,670	460,872,880
Net Balance Sheet Position	49,726,389	(121,908,873)	(37,819,272)	(110,001,756)
Net Off-Balance Sheet Position	(49,583,914)	127,268,368	37,901,309	115,585,763
Financial Derivative Assets	51,411,835	348,738,608	40,167,072	440,317,515
Financial Derivative Liabilities	100,995,749	221,470,240	2,265,763	324,731,752
Non-Cash Loans	27,623,029	24,683,603	1,967,965	54,274,597

⁽¹⁾ Cash and Balances with TR Central Bank; Other FC include TL 8,841,832 (31 December 2023 - TL 7,765,222) precious metal deposit account.

⁽²⁾ There are foreign bank guarantees amounting to TL 5,198,458 (31 December 2023 - TL 3,025,514).

⁽³⁾ Does not include TL 1,151,109 (31 December 2023- TL 788,259) of currency income accruals arising from derivative financial transactions.

⁽⁴⁾ Includes TL 102,945 (31 December 2023 - TL 181,694) FC indexed loans.

⁽⁵⁾ Does not include FC prepaid expenses amounting to TL 1,676,945 (31 December 2023 - TL 983,146) as per BRSA’s Communique published in Official Gazette no 26085 on 19 February 2006.

⁽⁶⁾ Other foreign currency includes TL 59,806,204 (31 December 2023 - TL 34,499,557) of precious metal deposit account.

⁽⁷⁾ Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 2,397,734 (31 December 2023 - TL 237,761)

⁽⁸⁾ Does not have an effect on Net Off-Balance Sheet Position.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on Foreign Currency Exchange Rate Risk (Continued)

6. Sensitivity to foreign exchange risk

The Bank is exposed to currency risk in Euro and US Dollars.

The following table details the Bank’s sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency rate in %	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)
		Current Period	Current Period	Prior Period	Prior Period
US Dollar	10% increase	(171,585)	(123,929)	(107,604)	(116,053)
	10% decrease	171,585	123,929	107,604	116,053
EURO	10% increase	(1,451)	(2,804)	5,240	11,588
	10% decrease	1,451	2,804	(5,240)	(11,588)

^(*) Effect on Shareholders Equity include the effect of the change of exchange rates on the statement of profit or loss and other comprehensive income.

IV. Explanations on Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Bank’s position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every month by taking the market developments into consideration. The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets and customer deposits to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

IV. Explanations on Interest Rate Risk (Continued)

(Based on repricing dates)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽¹⁾	Total
End of Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽²⁾	72,629,814	-	-	-	-	180,444,299	253,074,113
Due from Banks ⁽³⁾	5,198,458	-	-	-	-	10,119,287	15,317,745
Financial Assets at Fair Value Through Profit/Loss ⁽⁴⁾	1,601,530	3,587,272	2,906,870	1,848,031	254,948	9,581,426	19,780,077
Money Market Placements ⁽⁵⁾	150,531	-	-	-	-	(27)	150,504
Financial Assets at Fair Value Through Other Comprehensive Income ⁽⁶⁾	22,737,548	37,362,817	24,374,480	22,408,102	31,212,713	5,479,426	143,575,086
Loans and Receivables	289,322,699	124,567,958	314,751,981	121,880,604	15,850,785	4,014,434	870,388,461
Inv. Securities Held to Maturity ⁽⁷⁾	60,188,747	3,775,365	5,555,988	28,769,208	18,379,872	12,496,942	129,166,122
Other Assets	-	-	-	-	-	80,417,660	80,417,660
Total Assets	451,829,327	169,293,412	347,589,319	174,905,945	65,698,318	302,553,447	1,511,869,768
Liabilities							
Bank Deposits	35,771,868	19,119,979	1,971,644	-	-	706,631	57,570,122
Other Deposits	388,946,754	126,906,187	11,546,974	2,209,446	962	293,042,884	822,653,207
Money Market Borrowings	102,898,181	22,642,737	21,899,931	365,096	-	1,657,381	149,463,326
Sundry Creditors	5,953,994	-	-	-	-	50,895,536	56,849,530
Securities Issued	-	24,020,793	22,971,196	20,190,080	10,729,988	-	77,912,057
Funds Borrowed	41,455,314	47,953,217	84,874,385	634,141	-	2,970,742	177,887,799
Other Liabilities ⁽⁸⁾	24	3,444	44,201	1,631,132	-	167,854,926	169,533,727
Total Liabilities	575,026,135	240,646,357	143,308,331	25,029,895	10,730,950	517,128,100	1,511,869,768
On Balance Sheet Long Position	-	-	204,280,988	149,876,050	54,967,368	-	409,124,406
On Balance Sheet Short Position	(123,196,808)	(71,352,945)	-	-	-	(214,574,653)	(409,124,406)
Off-Balance Sheet Long Position	51,403,506	22,624,518	-	-	-	-	74,028,024
Off-Balance Sheet Short Position	-	-	(10,011,054)	(44,267,302)	(12,857,951)	-	(67,136,307)
Total Position	(71,793,302)	(48,728,427)	194,269,934	105,608,748	42,109,417	(214,574,653)	6,891,717

⁽¹⁾ Non-Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

⁽²⁾ Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank include amount of TL 26,672 expected loss provisions.

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 8,123.

⁽⁴⁾ Financial Assets at Fair Value Through Profit/Loss include TL 7,579,072 derivative financial assets used for hedging purposes.

⁽⁵⁾ Money Market Placements includes TL 27 expected loss provision balance.

⁽⁶⁾ Financial Assets at Fair Value Through Other Comprehensive Income include TL 3,364,254 derivative financial assets used for hedging purposes.

⁽⁷⁾ Financial Assets measured at amortized cost includes the balance of the expected loss provisions amounting to TL 17,707.

⁽⁸⁾ Other Liabilities includes Derivative Financial Assets amounting to TL 11,348,806.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

IV. Explanations on Interest Rate Risk (Continued)

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Continued)

End of Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽¹⁾	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽²⁾	67,348,689	-	-	-	-	95,212,950	162,561,639
Due from Banks ⁽³⁾	45,549	-	-	-	-	16,755,732	16,801,281
Financial Assets at Fair Value Through Profit/Loss ⁽⁴⁾	43,340	519,531	44,809	346,732	92,073	10,230,737	11,277,222
Money Market Placements ⁽⁵⁾	5,736,581	-	-	-	-	(147)	5,736,434
Financial Assets at Fair Value Through Other Comprehensive Income ⁽⁶⁾	16,070,800	18,622,711	4,847,209	6,858,295	19,209,390	5,826,140	71,434,545
Loans and Receivables	198,317,791	115,058,581	193,931,669	52,483,924	15,015,175	(3,763,216)	571,043,924
Inv. Securities Held to Maturity ⁽⁷⁾	43,957,379	3,100,307	1,453,707	28,001,276	13,998,447	11,556,751	102,067,867
Other Assets	-	-	-	-	-	46,893,655	46,893,655
Total Assets	331,520,129	137,301,130	200,277,394	87,690,227	48,315,085	182,712,602	987,816,567
Liabilities							
Bank Deposits	9,311,620	12,040,967	2,880,962	-	-	1,350,352	25,583,901
Other Deposits	238,083,304	83,018,971	59,130,390	819,009	909	225,413,624	606,466,207
Money Market Borrowings	4,092,826	16,831,236	7,382,723	-	-	528,830	28,835,615
Sundry Creditors	9,632,206	-	-	-	-	28,393,003	38,025,209
Securities Issued	2,047,126	10,607,254	30,621,799	2,672,999	8,951,261	-	54,900,439
Funds Borrowed	29,259,047	40,036,581	34,305,319	2,196,620	15,455,056	1,568,614	122,821,237
Other Liabilities ⁽⁸⁾	330	739	34,590	1,115,581	-	110,032,719	111,183,959
Total Liabilities	292,426,459	162,535,748	134,355,783	6,804,209	24,407,226	367,287,142	987,816,567
On Balance Sheet Long Position	39,093,670	-	65,921,611	80,886,018	23,907,859	-	209,809,158
On Balance Sheet Short Position	-	(25,234,618)	-	-	-	(184,574,540)	(209,809,158)
Off-Balance Sheet Long Position	19,575,774	18,111,839	9,687,177	-	-	-	47,374,790
Off-Balance Sheet Short Position	-	-	-	(38,551,879)	(4,755,214)	-	(43,307,093)
Total Position	58,669,444	(7,122,779)	75,608,788	42,334,139	19,152,645	(184,574,540)	4,067,697

⁽¹⁾ Non-Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

⁽²⁾ Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank include amount of TL 18,072 expected loss provisions.

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 12,423.

⁽⁴⁾ Financial Assets at Fair Value Through Profit/Loss include TL 8,915,253 derivative financial assets used for hedging purposes.

⁽⁵⁾ Money Market Placements includes TL 147 expected loss provision balance.

⁽⁶⁾ Financial Assets at Fair Value Through Other Comprehensive Income include TL 4,082,459 derivative financial assets used for hedging purposes.

⁽⁷⁾ Financial Assets measured at amortized cost includes the balance of the expected loss provisions amounting to TL 25,998.

⁽⁸⁾ Other Liabilities includes Derivative Financial Assets amounting to TL 4,927,080.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

IV. Explanations on Interest Rate Risk (Continued)

Average interest rates applied to monetary financial instruments

	EURO (%)	USD (%)	JPY (%)	TL (%)
End of Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank ^(*)	2.00	-	-	24.54
Due from Banks	-	-	-	-
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	3.48	5.66	-	53.01
Money Market Placements				
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.77	6.39	-	49.65
Loans and Receivables	6.50	7.24	2.50	49.85
Financial Assets Measured at Amortized Cost	4.73	6.02	-	40.55
Liabilities				
Bank Deposits	4.32	5.70	-	46.81
Other Deposits	0.03	0.07	0.05	45.42
Money Market Borrowings	-	5.67	-	48.59
Sundry Creditors	3.05	4.38	-	-
Securities Issued	4.60	7.25	-	49.33
Funds Borrowed	4.22	7.14	-	43.69

	EURO (%)	USD (%)	JPY (%)	TL (%)
End of Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank ^(*)	2.00	-	-	-
Due from Banks	-	-	-	42.09
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	4.92	7.69	-	47.78
Money Market Placements				
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.77	6.17	-	43.95
Loans and Receivables	7.43	9.31	4.92	38.31
Financial Assets Measured at Amortized Cost	4.73	5.61	-	47.12
Liabilities				
Bank Deposits	5.21	7.14	-	40.94
Other Deposits	1.00	2.60	0.05	37.14
Money Market Borrowings	-	6.55	-	39.33
Sundry Creditors	4.00	5.23	-	-
Securities Issued	6.76	8.59	-	38.02
Funds Borrowed	5.68	8.20	-	36.64

^(*) All reserve provision balances are taken into consideration in the calculation of average interest rate.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

IV. Explanations on Interest Rate Risk (Continued)

Interest rate risk on banking book (Continued)

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Bank analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of “Banking Books Interest Rate Risk Management” risks are measured, monitored and limited on a regular basis.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated twice in a month, analysis of the standard economic value approach is supported by different scenarios.

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI) included in banking book are monitored daily. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal interest rate and limits.

The interest rate risk on banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method” published in the Official Gazette No. 28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly to the Assets and Liability Committee, the Risk Committee and the Board of Directors.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

IV. Explanations on Interest Rate Risk (Continued)

Interest rate risk on banking book (Continued)

In calculations within the framework of the mentioned regulation, behavioral maturity modeling is carried out for demand deposits with low sensitivity to interest rate changes and with a principal maturity longer than the contract maturity. In the studies defined as core deposit analysis, based on historical data, analyses are conducted regarding how much of demand deposits will remain within the Company Bank at which maturity. These analyses are taken into account in economic value, gap, and duration analyses. In addition, the sensitivity of the net interest income is monitored, the prepayment rates of loans are considered managing the interest rate risk.

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and the bank strategy, the interest rate risk on banking book is managed within specified limits parallel to the Bank's appetite of risk.

Type of Currency	Shocks Applied (+/- x basis points)	Incomes/Losses	Incomes/Equity-- Losses/Equity
1. TL	+500 bp	(5,166,867)	(3.31%)
	-400 bp	4,733,840	3.04%
2. EUR	+200 bp	(843,698)	(0.54%)
	-200 bp	1,429,919	0.92%
3. USD	+200 bp	(640,411)	(0.41%)
	-200 bp	790,982	0.51%
Total (of negative shocks)		6,954,741	4.46%
Total (of positive shocks)		(6,650,976)	(4.27%)

V. Explanations on Position Risk of Equity Securities

Equity Securities (shares)	Carrying Value	Comparison	
		Fair Value	Market Value
1. Investment in Shares - Grade A	-	-	-
Quoted Securities	-	-	-
2. Investment in Shares - Grade B	-	-	-
Quoted Securities	-	-	-
3. Investment in Shares - Grade C	4,622,820	4,622,820	-
Quoted Securities	4,622,820	4,622,820	-
4. Investment in Shares - Grade Other^(*)	14,964,722	14,964,722	-

^(*) Includes associates, subsidiaries and entities under common control not quoted to ISE and not classified as investment in shares by Capital Market Board (CMB).

Portfolio	Incomes/ Losses in Current Period	Revaluation Surpluses		Unrealized Incomes and Losses		
		Total	Amount under Core Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	241,113	-	-	-	-	-
3. Other Shares	-	-	-	-	-	-
4. Total	241,113	-	-	-	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Remarks regarding Liquidity Risk Management and Liquidity Coverage Ratio

Liquidity Risk of the Bank is monitored and managed in accordance with Liquidity Risk Management Policy. According to this policy, Board of Directors is responsible to review and approve risk profile and appetite of the Bank periodically. Senior Management takes necessary measures to monitor aforementioned risk and controls liquidity risk in line with accepted strategies and policies.

Treasury Department is responsible to carry out liquidity strategy determined and approved by Board of Directors. Risk Management Department is responsible to define, measure, monitor and control liquidity risk besides developing internal and external methods and procedures which are in line with context and structure of applicable activities in the Bank in order to monitor related limits. Senior management of the Bank is informed periodically regarding current liquidity risk amount exposed in order to ensure being under the approved limits of Bank's liquidity risk profile. Assets and Liabilities Committee (ALCO) meetings, which ensure the necessary monitoring for liquidity risk, are held monthly. Risk Committee reviews the liquidity risk of the Bank monthly in addition to aforementioned meetings and informs Board of Directors. The Bank reviews its liquidity position daily. Internal and legal reports related to liquidity positions are examined in ALCO meetings monthly with the participation of senior management. Several decisions are taken related to management of short and long term liquidity in this scope. Internal metrics such as reserve liquidity and deposit concentration are monitored daily besides liquidity coverage rate related to measurement of liquidity coverage. Internal limit and warning level are periodically monitored and reported to related parties by the Board of Directors.

The liquidity management of the Bank is decentralized; each partnership controlled by the Bank is carried out independently from the Bank by the authorities in charge of liquidity management. Each subsidiary subject to consolidation manages its own liquidity position separately from the Bank. The amount of funds to be used by the subsidiaries from the Bank is determined within the framework of the limits.

It is essential for the Bank to monitor its liquidity position and funding strategy consistently. The primary priority is for the liquidity risk faced by the Company Bank to be in line with the risk appetite arising from the risk capacity determined within the limits prescribed by regulations and aligned with the fundamental strategies of the Company Bank. It is essential for the Company Bank to maintain a sufficient level of readily marketable or repoable liquid assets at all times to address significant decreases in liquidity sources.

Funding management of the Bank is carried out in line with limits and internal warning systems within the framework of ALCO decisions. Funding and placement strategies are developed through evaluating the liquidity of the Bank. While developing this strategy, it is aimed to provide funding from long-term and stable sources as much as possible. Deposits, which constitute the main fund source of the Bank, are obtained from a large number of customers as a natural result of the stable core deposit base.

A large part of the Bank's liabilities consists of TL, USD and EUR. Gap reports issued based on the aforementioned three currencies are presented in ALCO meetings. Maturity mismatches based on currencies are managed through FX swap and FX forward.

The Bank diversifies its funding sources as customer deposits, foreign loans and bond issuance in order to reduce its liquidity risk. Measures are taken through making investments to assets having higher capacity to generate cash against liquidity crisis. The Bank watches over reducing customer deposit concentration and controls concentration level daily in line with warning level approved by the Board of Directors.

Liquidity life cycle approach is determined as the liquidity risk stress test methodology. This approach is a stress test to measure the period in which the Bank can meet its cumulative cash outflows without providing a fund from the market. Liquidity life cycle is calculated according to various scenarios and simulated in line with possible scenarios in crisis situation and the results are reported to Risk Committee and Board of Directors.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Remarks regarding Liquidity Risk Management and Liquidity Coverage Rate (Continued)

Emergency Funding Plan (EMP) of the Bank regulates funding activities to be used in liquidity crisis periods specific to the Bank or in liquidity crisis at financial markets. EMP defines components triggering the crisis and early warning indicators which help to evaluate and manage the liquidity crisis and determine primary funding structure. EMP also defines actions of the Bank against cash and guarantee need. In addition to aforementioned issues, EMP determines duties and responsibilities in performing actions in a liquidity crisis included in risk management and emergency funding plan.

Cautious liquidity management against possible financial fluctuations in the market has been one of the main priorities of the Bank. The Bank manages LCR above the limit by keeping its high quality liquid assets at a sufficient level. The Bank has created four different stress test scenarios that measure how long it can meet the cumulative cash outflows without any new funds from the market or by providing very low levels of funds. In scenarios created by observing financial movements in the past and using statistical analysis, it has been observed that the Bank withstands stress over the minimum life expectancy of 30 days.

Liquidity Coverage Ratio

Current Period - 31 December 2024		Consideration Rate Unweighted Amounts ^(*)		Consideration Rate Weighted Amounts ^(*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				322.333.152	133.413.914
1.	High Quality Liquid Assets			322.333.152	133.413.914
CASH OUTFLOWS					
2.	Retail and Small Business Customers Deposits	558,996,213	163,438,329	49,223,387	16,343,833
3.	Stable deposits	133,524,697	-	6,676,235	-
4.	Less stable deposits	425,471,516	163,438,329	42,547,152	16,343,833
5.	Unsecured Funding other than Retail and Small Business Customers Deposits	235,629,755	90,686,885	138,908,392	57,524,461
6.	Operational deposits	7,061,185	1,331,537	1,765,296	332,884
7.	Non-Operational Deposits	171,651,182	70,846,797	91,175,038	39,135,284
8.	Other Unsecured Funding	56,917,388	18,508,551	45,968,058	18,056,293
9.	Secured funding	-	-	-	-
10.	Other Cash Outflows	46,347,924	21,084,947	46,347,924	21,084,947
11.	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	46,347,924	21,084,947	46,347,924	21,084,947
12.	Debts related to the structured financial products	-	-	-	-
13.	Commitment related to debts to financial markets	-	-	-	-
14.	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	154,740,967	54,002,524	7,737,048	2,700,126
15.	Other irrevocable or conditionally revocable commitments	900,502,136	72,575,939	55,075,969	7,354,803
16.	TOTAL CASH OUTFLOWS	-	-	297,292,720	105,008,170
CASH INFLOWS					
17.	Secured Lending Transactions	120,754	-	-	-
18.	Unsecured Lending Transactions	113,018,682	34,154,585	64,571,778	24,860,592
19.	Other Cash Inflows	43,631,633	30,783,043	43,631,633	30,783,043
20.	TOTAL CASH INFLOWS	156,771,069	64,937,628	108,203,411	55,643,635
Upper Limit Applied Values					
21.	TOTAL HIGH QUALITY LIQUID ASSETS			322,333,152	133,413,914
22.	TOTAL NET CASH OUTFLOWS			189,089,309	49,429,523
23.	LIQUIDITY COVERAGE RATIO (%)			170.47	269.91

(*) Basic arithmetic average calculated for the last three months of values calculated by taking the weekly basic arithmetic average.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Remarks regarding Liquidity Risk Management and Liquidity Coverage Rate (Continued)

Liquidity Coverage Ratio (Continued)

Prior Period - 31 December 2023	Consideration Rate Unweighted Amounts ^(*)		Consideration Rate Weighted Amounts ^(*)		
	TL+FC	FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			226.219,677	95.729,238	
1. High Quality Liquid Assets	-	-	226.219,677	95.729,238	
CASH OUTFLOWS					
2. Retail and Small Business Customers Deposits	419,011,022	143,776,709	37,990,758	14,377,671	
3. Stable deposits	78,206,883	-	3,910,344	-	
4. Less stable deposits	340,804,139	143,776,709	34,080,414	14,377,671	
5. Unsecured Funding other than Retail and Small Business Customers Deposits	161,179,180	86,371,080	94,791,079	52,269,377	
6. Operational deposits	5,281,616	1,287,965	1,320,404	321,991	
7. Non-Operational Deposits	116,691,412	69,623,257	62,578,061	36,532,999	
8. Other Unsecured Funding	39,206,152	15,459,858	30,892,614	15,414,387	
9. Secured funding			66,424	66,424	
10. Other Cash Outflows	63,490,022	17,356,565	63,490,022	17,356,565	
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	63,490,022	17,356,565	63,490,022	17,356,565	
12. Debts related to the structured financial products	-	-	-	-	
13. Commitment related to debts to financial markets	-	-	-	-	
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	199,211,161	102,832,223	9,960,558	5,141,611	
15. Other irrevocable or conditionally revocable commitments	544,839,514	52,553,552	34,471,261	5,124,754	
16. TOTAL CASH OUTFLOWS			240,770,102	94,336,402	
CASH INFLOWS					
17. Secured Lending Transactions	91,928	-	-	-	
18. Unsecured Lending Transactions	79,622,273	28,632,129	48,505,258	20,831,837	
19. Other Cash Inflows	62,003,251	50,627,245	62,003,251	50,627,245	
20. TOTAL CASH INFLOWS	141,717,452	79,259,374	110,508,509	71,459,082	
Upper Limit Applied Values					
21. TOTAL HIGH QUALITY LIQUID ASSETS	-	-	226,219,677	95,729,238	
22. TOTAL NET CASH OUTFLOWS	-	-	130,261,593	27,180,912	
23. LIQUIDITY COVERAGE RATIO (%)	-	-	173.67	352.19	

^(*) Basic arithmetic average calculated for the last three months of values calculated by taking the weekly basic arithmetic average.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Remarks regarding Liquidity Risk Management and Liquidity Coverage Rate (Continued)

Liquidity Coverage Ratio (Continued)

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months of 2024 are explained in the table below. According to “Regulation on Liquidity Coverage Ratio Calculation” published in the Official Gazette numbered 28948, dated 21 March 2014.

	Maximum	Week	Minimum	Week	Average
TL+FC	191.26	5.07.2024	155.90	6.09.2024	171.70
FC	380.77	13.09.2024	220.91	16.08.2024	280.00

Liquidity coverage ratio is regulated by the BRSA to make sure that the Banks sustain high quality liquid asset stock to cover probable cash outflows in the short term.

All of the Bank’s high quality liquid assets are comprised of first quality liquid assets, most of which are CBRT accounts and securities that are issued by the Republic of Türkiye Ministry of Treasury and Finance that have not been collateralized. Fluctuations in repo amount lead up to periodical variations in liquidity coverage ratio. Additionally syndication loans and large amount funds such as foreign bond issuances that have less than 1 month to maturity, lead up to short term fall in liquidity coverage ratios.

Funding sources of the Bank mainly consist of deposits which constitute 58% of total liabilities of the bank (31 December 2023 - 64%) and also include repo, syndication, securities issued and other instruments including subordinated debts.

The Bank effectively uses derivative transactions to manage interest and liquidity risk. Impact of derivative cash flows in terms of liquidity coverage ratio is limited. However, FX swaps used in short term foreign currency liquidity management cause liquidity coverage ratio to fluctuate due to changes in volume and 1-month maturity. In addition, possible cash outflow caused by margin call requirements of derivative transactions is taken into consideration in accordance with the respective regulations.

At the Bank secured funding consists repo securitized borrowing transactions. A large part of securities which are subjects of aforementioned guaranteed funding transactions consist of Sovereign Bonds issued by Republic of Türkiye Ministry of Treasury and Finance and transactions are carried out both in CBRT market and interbank market.

The Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Bank are included in liquidity coverage ratio tables above.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand Up to 1 month	1-3 months	3-12 months	1-5 Years	5 Years and Over	Unallocated ⁽¹⁾	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank ⁽²⁾	180,470,971	72,629,814	-	-	-	(26,672)	253,074,113
Due from Banks ⁽³⁾	10,127,410	5,198,458	-	-	-	(8,123)	15,317,745
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL) ⁽⁴⁾	1,829,830	595,338	978,120	3,804,438	9,051,232	3,521,119	19,780,077
Money Markets Placements ⁽⁵⁾	-	150,531	-	-	-	(27)	150,504
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI) ⁽⁶⁾	17,105	712,459	43,490	2,336,031	84,472,544	55,993,457	143,575,086
Loans and Receivables	-	311,572,897	125,739,603	288,977,940	134,972,814	25,111,468	870,388,461
Financial Assets Measured at Amortized Cost ⁽⁷⁾	-	307,500	3,592,823	9,539,919	64,238,888	51,504,699	129,166,122
Other Assets	-	28,072,230	-	-	1,728,646	-	80,417,660
Total Assets	192,445,316	419,239,227	130,354,036	304,658,328	294,464,124	136,130,743	1,511,869,768
Liabilities							
Bank Deposits	297,324	36,024,090	19,237,262	2,011,446	-	-	57,570,122
Other Deposits	277,815,811	398,307,239	131,280,162	12,783,357	2,465,615	1,023	822,653,207
Funds Borrowed	-	7,521,207	19,287,819	101,721,689	46,321,949	3,035,135	177,887,799
Money Market Borrowings	-	103,779,089	20,856,555	19,272,732	5,554,950	-	149,463,326
Securities Issued	-	-	18,817,557	22,971,196	25,393,317	10,729,987	77,912,057
Miscellaneous Payables	-	56,849,530	-	-	-	-	56,849,530
Other Liabilities ⁽⁸⁾	-	26,031,637	2,100,555	1,294,768	6,557,527	583,460	169,533,727
Total Liabilities	278,113,135	628,512,792	211,579,910	160,055,188	86,293,358	14,349,605	1,511,869,768
Liquidity Excess/(Gap)	(85,667,819)	(209,273,565)	(81,225,874)	144,603,140	208,170,766	121,781,138	(98,387,786)
Net Off Balance Sheet Position⁽⁹⁾	-	(1,819,156)	(2,656,784)	(2,015,300)	4,537,202	-	(1,954,038)
Receivables from Financial Derivative Instruments	-	157,536,759	94,228,392	102,368,223	208,316,714	57,983,684	620,433,772
Liabilities from Derivatives	-	159,355,915	96,885,176	104,383,523	203,779,512	57,983,684	622,387,810
Non-cash Loans⁽¹⁰⁾	-	6,510,328	19,105,709	56,435,056	19,256,355	2,107,581	142,335,797
Prior period							
Total Assets	110,244,737	287,756,934	96,030,623	190,511,507	192,715,421	93,956,474	987,816,567
Total Liabilities	213,530,963	313,273,095	136,822,996	191,760,639	24,198,727	12,633,223	987,816,567
Liquidity Excess/(Gap)	(103,286,226)	(25,516,161)	(40,792,373)	(1,249,132)	168,516,694	81,323,251	(78,996,053)
Net-Off Balance Sheet Position⁽⁹⁾	-	(202,422)	(3,932,353)	2,261,081	2,189,002	-	315,308
Receivables from Derivative Instruments	-	139,236,527	131,642,958	91,674,163	91,064,462	71,087,131	524,705,241
Liabilities from Derivative Instruments	-	139,438,949	135,575,311	89,413,082	88,875,460	71,087,131	524,389,933
Non-cash Loans⁽¹⁰⁾	-	7,522,893	14,448,578	39,591,926	13,000,054	1,178,206	102,864,320

⁽¹⁾ The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, office stationery, and prepaid expenses are classified “Unallocated” column. Unallocated other liabilities include shareholders’ equity amounting to TL 119,001,311 (31 December 2023 - TL 81,618,386), current tax liabilities amounting to TL 3,194,270 (31 December 2023 - TL 2,141,659) and unallocated provisions amounting to TL 10,770,199 (31 December 2023 - TL 11,836,884).

⁽²⁾ Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank includes expected loss provisions the amount of TL 26,672 (31 December 2023 - TL 18,072).

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 8,123 (31 December 2023 - TL 12,423).

⁽⁴⁾ Financial Assets at Fair Value Through Profit/Loss include TL 7,579,072 (31 December 2023 - TL 8,915,253) derivative financial assets used for hedging purposes.

⁽⁵⁾ Receivables from Money Markets includes the balance of expected loss provisions amounting to TL 27 (31 December 2023 - TL 147).

⁽⁶⁾ Financial Assets at Fair Value Through Other Comprehensive Income include TL 3,364,254 (31 December 2023 - TL 4,082,459) derivative financial assets used for hedging purposes.

⁽⁷⁾ Financial assets measured at amortized cost include TL 17,707 (31 December 2023 - TL 25,998) of expected loss provisions.

⁽⁸⁾ Other Liabilities include Derivative Financial Assets amounting to TL 11,348,806 (31 December 2023 - TL 4,927,080).

⁽⁹⁾ Liquidity excess/(deficit) related to Derivative Financial Instruments constituting Net Off-Balance positions are included in Liquidity Excess/(deficit) through valuations of related transactions to balance sheet

⁽¹⁰⁾ Amounts related to letter of guarantees represent contractual maturities and amounts included in aforementioned maturities and they have on demand and optionally withdrawable nature.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

The net stable funding ratio (NSFR), which is a complementary liquidity measurement method to the LCR that measures banks' resilience to short-term liquidity shocks and is calculated by taking maturity matching into account, was legally shared as of 1 January 2024. The BRSA has set out the principles and procedures for banks to ensure stable funding in order to prevent the deterioration of their liquidity levels due to the funding risk that they may be exposed to on a consolidated and unconsolidated basis in the long term. Pursuant to the “Regulation on Banks' Calculation of Net Stable Funding Ratio” published in the Official Gazette No. 32202 dated 26 May 2023, the three-month simple arithmetic average of the consolidated and unconsolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than 100% as of March, June, September and December.

The Net Stable Funding Ratio (NSFR) is calculated by dividing the amount of available stable funding (ASF) by the required stable funding (RSF). Available stable funding refers to the portion of banks' liabilities and equity expected to be stable, while required stable funding refers to the portion of banks' on-balance sheet assets and off-balance sheet liabilities expected to need funding. The available stable funding balance is calculated by weighting the book values of banks' liabilities and equity components according to the ASF factors specified in the notification table published by the Banking Regulation and Supervision Agency (BRSA). The required stable funding amount is calculated by weighting the maturities and liquidity characteristics of the bank's assets according to the RSF factors. The largest components of a bank's available stable funding are capital, long-term borrowings, and customer deposits.

		Unweighted Amount According to Residual Maturity				
Current Period		Demand	Residual Maturity Less than 6 Months	Residual Maturity of 6 Months and Longer But Less Than 1 Year	Residual Maturity of 1 Year and More	Total Weighted Amount Applied
Available Stable Funding						
1.	Capital Instruments	167,807,096	-	-	-	167,807,096
2.	Tier 1 and Tier 2 Capital	167,807,096	-	-	-	167,807,096
3.	Other Capital Instruments	-	-	-	-	-
4.	Real-person and Retail Customer Deposits	201,208,885	401,475,483	4,093,067	2,523,202	556,547,059
5.	Stable Deposit/Participation Fund	16,943,699	144,142,433	1,486,458	957,126	155,353,230
6.	Low Stable Deposit/Participation Fund	184,265,186	257,333,050	2,606,609	1,566,076	401,193,829
7.	Obligations to Other Parties	11,450,582	380,830,763	257,326,882	56,629,218	191,017,950
8.	Operational Deposit/Participation Fund	11,450,582	-	-	-	5,725,291
9.	Other Obligations	-	380,830,763	257,326,882	56,629,218	185,292,659
10.	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11.	Other Liabilities	-	6,794,196	-	43,321,079	-
12.	Derivative Liabilities	-	-	6,794,196	-	-
13.	All other equity not included in the above categories	-	-	-	43,321,079	-
14.	Available Stable Funding					915,372,105
Required Stable Funding						
15.	High Quality Liquid Assets					11,365,766
16.	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	-	-	-	-	-
17.	Performing Loans	-	464,486,590	98,631,052	385,667,531	602,372,890
18.	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	26,294,736	-	9,128,810	13,073,020
19.	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	44,678,215	10,204,244	32,543,352
20.	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	438,191,854	53,952,837	362,069,254	553,831,211
21.	Loans with a risk weight of less than or equal to 35%	-	-	-	3,500,662	2,275,430
22.	Residential mortgages	-	-	-	3,500,662	2,275,430
23.	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-	-
24.	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	-	-	-	764,561	649,877
25.	Assets equivalent to interconnected liabilities	-	-	-	-	-
26.	Other Assets	91,308,808	-	-	-	100,295,307
27.	Physical traded commodities, including gold	261,351	-	-	-	222,149
28.	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty	-	-	104,528	-	88,849
29.	Derivative Assets	-	-	7,736,154	-	7,736,154
30.	Derivative Liabilities Before Deduction of Variation Margin	-	-	1,200,700	-	1,200,700
31.	Other Assets not Included Above	91,047,456	-	-	-	91,047,456
32.	Off-balance sheet commitments	-	-	1,152,819,178	-	57,640,959
33.	Required Stable Funding					771,674,922
34.	Net Stable Funding Rate (%)					118.62



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Prior Period	Demand	Unweighted Amount According to Residual Maturity			Total Weighted Amount Applied
		Residual Maturity Less than 6 Months	Residual Maturity of 6 Months and Longer But Less Than 1 Year	Residual Maturity of 1 Year and More	
Available Stable Funding					
1.	Capital Instruments	120,209,482	-	-	120,209,482
2.	Tier 1 and Tier 2 Capital	120,209,482	-	-	120,209,482
3.	Other Capital Instruments	-	-	-	-
4.	Real-person and Retail Customer Deposits	154,183,744	279,923,393	6,130,313	401,154,561
5.	Stable Deposit/Participation Fund	8,664,635	74,492,932	1,639,268	80,772,412
6.	Low Stable Deposit/Participation Fund	145,519,109	205,430,461	4,491,045	320,382,149
7.	Obligations to Other Parties	5,750,285	173,122,078	224,650,029	133,235,482
8.	Operational Deposit/Participation Fund	5,750,285	-	-	2,875,142
9.	Other Obligations	-	173,122,078	224,650,029	130,360,340
10.	Liabilities Equivalent to Interconnected Assets	-	-	-	-
11.	Other Liabilities	-	895,550	1,138,468	20,097,380
12.	Derivative Liabilities	-	-	3,967,917	-
13.	All other equity not included in the above categories	-	-	-	18,163,482
14.	Available Stable Funding				654,599,525
Required Stable Funding					
15.	High Quality Liquid Assets	-	-	-	6,153,547
16.	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	-	-	-	-
17.	Performing Loans	274,661	296,992,165	99,413,872	413,553,305
18.	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	23,188,309	-	24,324,160
19.	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	26,414,576	21,670,038
20.	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	273,803,856	72,999,296	365,537,829
21.	Loans with a risk weight of less than or equal to 35%	-	-	-	1,767,216
22.	Residential mortgages	-	-	-	1,767,216
23.	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-
24.	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	274,661	-	-	137,331
25.	Assets equivalent to interconnected liabilities	-	-	-	-
26.	Other Assets	55,396,137	-	-	62,642,622
27.	Physical traded commodities, including gold	433,897	-	-	368,813
28.	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty	-	-	611,190	519,511
29.	Derivative Assets	-	-	6,299,350	6,299,350
30.	Derivative Liabilities Before Deduction of Variation Margin	-	-	492,708	492,708
31.	Other Assets not Included Above	54,962,240	-	-	54,962,240
32.	Off-balance sheet commitments	-	-	766,703,957	38,335,198
33.	Required Stable Funding				520,684,672
34.	Net Stable Funding Rate (%)				125.72

The simple arithmetic average of the net stable funding ratio for the last three months including the reporting period is 119.38% (31 December 2023 - 126.00%).

The Group's Net Stable Funding Ratio (NSFR) declined from 125.72% to 118.62% on an unconsolidated basis and continued to hover above the legal limit (100%). The development of the ratio is influenced by factors such as the development of major balance sheet items such as loans and deposits between periods, changes in the maturity structure of the balance sheet and asset collateralization. During the period in question, NSFR decreased due to the shortening of the maturity of debt instruments with a remaining maturity of more than 1 year and the increase in the loan/deposit ratio.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Analysis of financial liabilities by remaining contractual maturities

The table below shows the Bank’s maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these assets and liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank Deposits	297,324	36,181,507	19,410,998	2,066,765	-	-	57,956,594	57,570,122
Other Deposits	277,815,811	403,302,853	137,903,312	14,751,955	3,748,513	2,899	837,525,343	822,653,207
Payables to Money Market	-	103,933,402	21,067,876	21,689,694	5,890,649	-	152,581,621	149,463,326
Funds from other Financial Institutions	-	7,536,552	19,326,023	101,907,418	46,516,411	3,035,135	178,321,539	177,887,799
Securities Issued	-	8,580	19,333,490	26,429,284	34,561,405	15,135,248	95,468,007	77,912,057
Noncash Loans ^(*)	38,920,768	6,510,328	19,105,709	56,435,056	19,256,355	2,107,581	142,335,797	142,335,797

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank Deposits	1,126,701	9,416,723	12,288,330	3,022,266	-	-	25,854,020	25,583,901
Other Deposits	212,404,261	245,925,724	91,546,564	70,559,490	1,215,417	1,289	621,652,745	606,466,207
Payables to Money Market	-	4,349,975	15,546,320	4,494,736	6,784,102	-	31,175,133	28,835,615
Funds from other Financial Institutions	-	5,340,797	13,024,584	109,566,338	12,469,811	2,528,610	142,930,140	122,821,237
Securities Issued	-	2,066,266	10,068,507	34,198,495	6,622,434	13,578,370	66,534,072	54,900,439
Noncash Loans ^(*)	27,122,663	7,522,893	14,448,578	39,591,926	13,000,054	1,178,206	102,864,320	102,864,320

^(*) Amounts related to letters of guarantee represent maturities based on contract and amounts per these maturities and the amounts have the nature to be withdrawn on demand optionally.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Analysis of financial liabilities by remaining contractual maturities (Continued)

The table below shows the remaining maturities of derivative financial assets and liabilities:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward Contracts Buy ^(*)	36,762,328	13,008,299	16,552,413	1,061,122	-	67,384,162
Forward Contracts Sell ^(**)	(37,043,064)	(14,367,170)	(19,786,359)	(1,135,083)	-	(72,331,676)
Swap Contracts Buy ^(*)	144,955,576	65,065,431	69,354,330	207,145,383	57,983,684	544,504,404
Swap Contracts Sell ^(*)	(146,459,019)	(64,999,462)	(67,634,954)	(202,469,053)	(57,983,684)	(539,546,172)
Futures Buy	-	324,986	7,479	-	-	332,465
Futures Sell	-	(278,685)	(9,682)	-	-	(288,367)
Options Buy	4,709,260	15,829,676	16,454,001	110,209	-	37,103,146
Options Sell	(4,763,930)	(17,239,860)	(16,952,528)	(175,375)	-	(39,131,693)
Other	-	-	-	-	-	-
Total	(1,838,849)	(2,656,785)	(2,015,300)	4,537,203	-	(1,973,731)

^(*) This line also includes hedging purpose derivatives.

^(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward Contracts Buy ^(**)	10,138,764	8,821,169	12,095,862	1,078,087	-	32,133,882
Forward Contracts Sell ^(**)	(10,165,416)	(8,520,114)	(10,906,251)	(820,724)	-	(30,412,505)
Swap Contracts Buy ^(*)	134,154,827	114,463,877	72,706,958	89,885,060	71,087,131	482,297,853
Swap Contracts Sell ^(*)	(134,316,757)	(118,959,440)	(71,508,096)	(87,984,437)	(71,087,131)	(483,855,861)
Futures Buy	-	7,147,722	757,596	101,317	-	8,006,635
Futures Sell	-	(6,843,480)	(652,380)	(70,298)	-	(7,566,158)
Options Buy	418,572	1,210,190	6,113,746	-	-	7,742,508
Options Sell	(443,509)	(1,252,278)	(5,168,827)	-	-	(6,864,614)
Other	-	-	1,177,528	-	-	1,177,528
Total	(213,519)	(3,932,354)	4,616,136	2,189,005	-	2,659,268

^(*) This line also includes hedging purpose derivatives.

^(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VII. Explanations on Leverage Ratio

Information in regards to the differences between current period and prior period leverage ratio

The Bank's leverage ratio, calculated in accordance with the “Regulation on Measurement and Evaluation of Bank's Leverage Levels” is 5.17% (31 December 2023 - 5.50%). Subject level is above the minimum requirement which is determined as 3% by the regulation. Difference between current period and prior period leverage ratios is mostly due to increase in risk amounts of balance sheet asset items.

The table related to leverage ratio calculated in accordance with the “Regulation on Measurement and Evaluation of Bank's Leverage Levels” published in Official Gazette dated 5 November 2013 and numbered 28812 is below:

	Book Value Current Period ^(*)	Prior Period ^(*)
Assets on Balance sheet		
Assets on Balance sheet (except for derivative financial instruments and credit (Assets deducted from capital stock)	1,447,024,117	928,220,222
Total risk amount related to Assets on Balance sheet	1,441,359,213	924,466,141
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	13,966,320	18,925,386
Potential credit risk amount of derivative financial instruments and credit derivatives	431,044	7,578,848
Total risk amount related to derivative financial instruments and credit derivatives	14,397,364	26,504,234
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	3,189
Risk amount sourcing from transactions mediated	13,709	14,069
Total risk amount related to financial transactions having security or commodity Collateral	13,709	17,258
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	1,167,151,262	765,927,842
(Adjustment amount sourcing from multiplying to credit conversion rates)	94,885,947	172,080,333
Total risk amount related to off-balance sheet transactions	1,072,265,315	593,847,509
Capital and Total Risk		
Core Capital	130,650,569	84,913,732
Amount of total risk	2,528,035,601	1,544,835,142
Financial leverage ratio		
Financial leverage ratio	5.17%	5.50%

^(*) Amounts stated in table shows the last three months averages of related period.

VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value

The fair value of the fixed rate loans is determined based on discounted cash flows using the current market interest rates. Book value of floating rate loans represent their fair value.

The fair value of financial assets measured at amortized cost; market prices or, where such price cannot be determined, interest is determined on the basis of quoted market prices for other securities subject to the same qualified amortization in terms of maturity and other similar conditions.

The estimated fair value of the demand deposit represents the amount payable at the time of demand. The fair value of floating rate placements and overnight deposits represents the book value. The estimated fair value of fixed rate deposits is calculated by finding the discounted cash flows using market interest rates applied to similar loans and other liabilities.

The estimated fair value of funds from banks, other financial institutions, is determined based on discounted cash flows using the current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented. Book value represents the total of cost of subject asset and liabilities and accrued interest.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value (Continued)

Current Period	Book Value	Fair Value
Financial Assets	1,155,259,521	1,128,305,892
Money Market Placements	150,531	150,504
Due from Banks	15,325,868	15,317,745
Fair Value through Other Comprehensive Income (FVOCI)	140,210,832	140,210,832
Financial Assets Measured at Amortized Cost	129,183,829	108,571,875
Loans Granted	870,388,461	864,054,936
Financial Liabilities	1,342,336,041	1,347,157,968
Bank Deposits	57,570,122	57,605,139
Other Deposits	822,653,207	826,868,448
Funds from Other Financial Institutions	177,887,799	178,459,468
Payables to Money Market	149,463,326	149,463,326
Securities Issued	77,912,057	77,912,057
Other Debts	56,849,530	56,849,530
Prior Period	Book Value	Fair Value
Financial Assets	763,040,159	739,437,751
Money Market Placements	5,736,581	5,736,434
Due from Banks	16,813,703	16,801,281
Fair Value through Other Comprehensive Income (FVOCI)	67,352,086	67,352,086
Financial Assets Measured at Amortized Cost	102,093,865	93,270,077
Loans Granted	571,043,924	556,277,873
Financial Liabilities	876,632,608	877,059,021
Bank Deposits	25,583,901	25,589,018
Other Deposits	606,466,207	606,997,080
Funds from Other Financial Institutions	122,821,237	122,821,237
Payables to Money Market	28,835,615	28,835,615
Securities Issued	54,900,439	54,790,862
Other Debts	38,025,209	38,025,209

In accordance with “IFRS 13, Fair Value Measurement” accounts represented at fair value in the face of financial statements are required to be leveled according to the observability of the data used for the calculation of fair value.

The classification of fair value calculation is as follows.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value (Continued)

In the table below, the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3 ^(*)	Total
Financial Assets	147,846,751	14,976,744	531,668	163,355,163
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	11,436,444	232,893	531,668	12,201,005
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	136,409,396	3,801,436	-	140,210,832
Derivative Financial Assets	911	10,942,415	-	10,943,326
Financial Liabilities	36	11,348,770	-	11,348,806
Derivative Financial Liabilities	36	11,348,770	-	11,348,806

^(*) Real estates that the Bank accounts for at fair value under tangible fixed assets are classified as level 3.

Prior Period	Level 1	Level 2	Level 3 ^(*)	Total
Financial Assets	65,910,636	16,416,587	384,544	82,711,767
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	1,652,392	325,033	384,544	2,361,969
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	64,257,528	3,094,558	-	67,352,086
Derivative Financial Assets	716	12,996,996	-	12,997,712
Financial Liabilities	327	4,926,753	-	4,927,080
Derivative Financial Liabilities	327	4,926,753	-	4,927,080

^(*) Real estates that the Bank accounts for at fair value under tangible fixed assets are classified as level 3.

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance	384,544	141,649
Change in total income/loss	133,914	241,069
<i>Accounted in the statement of profit or loss and other comprehensive income</i>	133,914	241,069
<i>Accounted in other comprehensive income</i>	-	-
Purchases and Transfers	13,210	1,826
Disposals	-	-
Matured Loans	-	-
Sales from Level 3	-	-
Closing Balance	531,668	384,544

IX. Explanations Related to Transactions Carried on Behalf of Others and Fiduciary Transactions

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to Assets

1. a) Cash and balances with the Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2,960,303	10,282,554	2,150,944	9,412,639
T.R. Central Bank	139,828,034	98,982,305	56,835,380	92,810,848
Other	731,579	316,010	807,073	562,827
Total	143,519,916	109,580,869	59,793,397	102,786,314

b) Balances with the Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	91,848,194	36,758,372	41,053,357	34,030,574
Restricted Demand Deposits	-	-	8,487,000	-
Restricted Time Deposits	47,979,840	62,223,933	7,295,023	58,780,274
Total	139,828,034	98,982,305	56,835,380	92,810,848

As of 31 December 2024 amount of TL 26,672 (31 December 2023 - TL 18,072) provision provided for the account T.R. Central Bank.

As of 31 December 2024, The Bank maintains required reserves for its deposits and other liabilities in Turkish Lira, US Dollar, Euro, and gold.

2. Further information on financial assets at fair value through profit/loss

a) Information on financial assets at fair value through profit/loss given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral/ Blocked	-	-	-	-
Subject to repurchase agreements	-	-	-	-
Total	-	-	-	-

b) Positive differences related to derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	412,983	19,352	409,551	109,239
Swap Transactions	833,727	3,216,184	2,333,453	2,812,555
Futures Transactions	-	-	-	-
Options	911	503,741	716	75,573
Total	1,247,621	3,739,277	2,743,720	2,997,367



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

3. a) Information on banks accounts

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	9,785	386,592	47,396	805,465
Foreign	-	14,929,491	-	15,960,842
Foreign Head Offices and Branches	-	-	-	-
Total	9,785	15,316,083	47,396	16,766,307

As of 31 December 2024 amount of TL 8,123 provision provided for the Bank account (31 December 2023 - TL 12,423).

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(*)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	1,864,128	4,048,154	1,672,474	-
USA and Canada	6,407,808	7,649,932	-	-
OECD Countries ^(*)	861,997	866,040	3,431,713	3,025,514
Off-shore Banking Regions	-	-	-	-
Other	597,100	371,202	94,271	-
Total	9,731,033	12,935,328	5,198,458	3,025,514

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

^(**) Includes the guarantees in foreign banks for the borrowings from foreign markets.

4. Information on Receivables from Reverse Repurchase Agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	301,081	-
T.R Central Bank	-	-	-	-
Banks	-	-	301,081	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organization	-	-	-	-
Natural Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Natural Persons	-	-	-	-
Total	-	-	301,081	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

5. Information on Financial Assets Measured at Fair Value through Other Comprehensive Income

a) Information on financial assets measured at fair value through other comprehensive income that are subject to repurchase agreements and given as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral/Blocked	14,919,937	-	18,555,820	-
Subject to repurchase agreements	68,863,943	20,128,290	5,472	9,855,238
Total	83,783,880	20,128,290	18,561,292	9,855,238

b) Information on financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt securities	145,176,234	69,952,152
Quoted on a stock exchange ^(*)	145,176,234	69,952,152
Unquoted on a stock exchange	-	-
Share certificates	17,211	107
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	17,211	107
Impairment provision(-)^(**)	(4,982,613)	(2,600,173)
Total	140,210,832	67,352,086

^(*) The Eurobond Portfolio amounting to TL 7,357,912 (31 December 2023 - TL 6,218,276) which is accounted for as financial assets measured at fair value through other comprehensive income were hedged under fair value hedge accounting starting from 2009.

^(**) As of 31 December 2024 amount of TL 20,455 (31 December 2023 - TL 9,387) provision provided for financial assets measured at fair value through other comprehensive income account.

6. Information related to loans

a) Information on 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	-	2,270,807	-	2,316,570
Corporate Shareholders	-	2,270,807	-	2,316,570
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees^(*)	817,098	-	629,167	-
Total	817,098	2,270,807	629,167	2,316,570

^(*) Includes the advances given to the bank personnel.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

b) Performing loans and loans under follow-up including restructured or rescheduled loans, and other receivables

b.1) Information on standard loans, loans under close monitoring and restructured loans under close monitoring

Cash Loans	Standard Loans and Other Receivables	Loans Under Close Monitoring Restructured Loans and Receivables		
		Loans and Receivables Not Subject to restructuring	Loans and Receivables with Revised Contract Terms	Refinance
Non-specialized Loans	789,613,422	45,252,161	166,774	51,342,365
Enterprise Loans	38,655,005	59,602	-	-
Export Loans	87,762,285	1,262,169	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	20,304,416	562	-	-
Retail Loans	143,573,491	11,795,550	135,957	14,447,778
Credit Cards	236,012,256	16,565,850	-	19,706,087
Other	263,305,969	15,568,428	30,817	17,188,500
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	789,613,422	45,252,161	166,774	51,342,365



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

b) Performing loans and loans under follow-up including restructured or rescheduled loans, and other receivables (Continued)

b.1) Information on standard loans, loans under close monitoring and restructured loans under close monitoring (Continued)

	Standard Loans	Loans Under Close Monitoring
Current Period		
Provision for 12 Month Expected Credit Losses	8,506,511	-
Significant Increase in Credit Risk	-	13,050,092
Prior Period		
Provision for 12 Month Expected Credit Losses	7,703,126	-
Significant Increase in Credit Risk	-	10,879,033

c) Loans measured at amortized cost and other receivables according to their maturity structure

Cash Loans	Loans Under Close Monitoring		
	Standard Loans	Loans Not Subject to Restructuring	Loans with Restructured Loans
Short-term Loans	544,279,709	16,565,850	19,706,087
Medium and Long-term Loans	245,333,713	28,686,311	31,803,052
Total	789,613,422	45,252,161	51,509,139



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Short Term	Medium and Long Term	Total
Consumer Loans - TL	55,287,461	77,830,109	133,117,570
Housing Loans	7,840	4,285,018	4,292,858
Automobile Loans	-	10,188	10,188
Personal Need Loans	55,279,621	73,534,903	128,814,524
Other	-	-	-
Consumer Loans - FC Indexed	-	131	131
Housing Loans	-	131	131
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Individual Credit Cards - TL	220,824,314	13,019,635	233,843,949
Installment	64,330,958	9,631,200	73,962,158
Non- Installment	156,493,356	3,388,435	159,881,791
Individual Credit Cards - FC	509,214	1,348	510,562
Installment	-	-	-
Non- Installment	509,214	1,348	510,562
Personnel Loans - TL	168,878	189,857	358,735
Housing Loans	-	23	23
Automobile Loans	-	-	-
Personal Need Loans	168,878	189,834	358,712
Other	-	-	-
Personnel Loans - FC Indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TL	441,343	9,530	450,873
Installment	122,596	2,647	125,243
Non-Installment	318,747	6,883	325,630
Personnel Credit Cards - FC	2,320	6	2,326
Installment	-	-	-
Non-Installment	2,320	6	2,326
Overdraft Accounts - TL (Natural Persons)	34,713,435	1,762,905	36,476,340
Overdraft Accounts - FC (Natural Persons)	-	-	-
Total	311,946,965	92,813,521	404,760,486



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

e) Information on commercial loans with installments and corporate credit cards

	Short Term	Medium and Long Term	Total
Commercial Loans with Installment Facility - TL	7,347,193	61,497,936	68,845,129
Real Estate Loans	47,525	950,579	998,104
Automobile Loans	168,200	1,963,282	2,131,482
Personal Need Loans	7,131,468	58,584,075	65,715,543
Other	-	-	-
Commercial Loans with Installment Facility - FC Indexed	-	102,650	102,650
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	102,650	102,650
Other	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Corporate Credit Cards -TL	36,639,874	812,877	37,452,751
Installment	5,601,700	151,805	5,753,505
Non-Installment	31,038,174	661,072	31,699,246
Corporate Credit Cards -FC	23,669	63	23,732
Installment	-	-	-
Non-Installment	23,669	63	23,732
Overdraft Accounts-TL (Legal Entities)	3,280,083	23,596	3,303,679
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	47,290,819	62,437,122	109,727,941

f) Allocation of loans to customers(*)

	Current Period	Prior Period
Public	5,962,816	4,463,025
Private	880,411,906	583,130,653
Total	886,374,722	587,593,678

(*) The table does not include non-performing loan amount.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

g) Allocation of domestic and foreign loans^(*)

	Current Period	Prior Period
Domestic Loans	882,515,564	585,238,968
Foreign Loans	3,859,158	2,354,710
Total	886,374,722	587,593,678

^(*) The table does not include non-performing loan amount.

h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	12,702,629	4,948,468
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	12,702,629	4,948,468



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

i) Specific provisions for loans (Stage III/Specific Provision)

Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	4,568,001	1,734,902
Doubtful Loans and Other Receivables	6,839,649	988,400
Uncollectible Loans and Receivables	7,645,981	5,698,767
Total	19,053,631	8,422,069

j) Non-performing loans (NPLs) (Net)

j.1) Non-performing loans and other receivables restructured or rescheduled

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Current Period			
Gross Amounts Before the Provisions	-	21,727	200,582
Restructured Loans	-	21,727	200,582
Prior Period			
Gross Amounts Before the Provisions	148	3,532	336,984
Restructured Loans	148	3,532	336,984

j.2) Movement of total non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Prior Period End Balance	2,326,796	1,364,262	6,763,416
Additions (+)	20,793,932	564,411	1,142,919
Transfers from Other Categories of Non-Performing Loans (+)	-	13,508,375	4,987,745
Transfers to Other Categories of Non-Performing Loans (-)	13,508,375	4,987,745	-
Collections (-)	3,344,253	1,702,875	1,454,732
Write-offs (-)	-	-	86,331
Debt Sales (-)^(*)	-	-	1,743,573
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	889,638
Credit Cards	-	-	651,131
Others	-	-	202,804
Current Period End Balance	6,268,100	8,746,428	9,609,444
Provision (-)	4,568,001	6,839,649	7,645,981
Net Balances on Balance Sheet	1,700,099	1,906,779	1,963,463

^(*) The bank sold TL 1,743,573 of the non-performing loans portfolio to the asset management company for TL 632,000.

j.3) Information on foreign currency non-performing loans and other receivables

None (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

j.4) Breakdown of non-performing loans according to their gross and net values

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Current Period (Net)	1,700,099	1,906,779	1,963,463
Loans to Natural Persons and Legal Entities (Gross)	6,268,100	8,746,428	8,920,626
Provision (-)	4,568,001	6,839,649	6,957,163
Loans to Natural Persons and Legal Entities (Net)	1,700,099	1,906,779	1,963,463
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	688,818
Provision (-)	-	-	688,818
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	591,894	375,862	1,064,649
Loans to Natural Persons and Legal Entities (Gross)	2,326,796	1,364,262	6,486,482
Specific provision (-)	1,734,902	988,400	5,421,833
Loans to Natural Persons and Legal Entities (Net)	591,894	375,862	1,064,649
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	276,934
Specific provision (-)	-	-	276,934
Other Loans and Receivables (Net)	-	-	-

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Current Period (Net)			
Interest Accruals and Valuation Differences	985,780	1,384,725	1,434,456
Provision (-)	360,681	541,768	822,370
Prior Period (Net)			
Interest Accruals and Valuation Differences	179,655	122,137	1,167,499
Provision (-)	85,245	64,254	800,396

k) Liquidation policies for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow-up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow-up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow-up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations on write-off policy

The Bank's general policy regarding the write-off of NPLs is explained in the section three under the footnote VIII.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

7. Information on Financial Assets Measured at Amortized Cost

a) Information on financial assets measured at amortized cost subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral/Blocked	26,984,053	1,198,217	19,956,890	149,001
Subject to repurchase agreements	56,020,248	33,920,075	4,753,009	25,309,928
Total	83,004,301	35,118,292	24,709,899	25,458,929

b) Information on government debt securities measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	92,712,302	36,326,963	72,305,609	29,088,903
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	580,406
Total	92,712,302	36,326,963	72,305,609	29,669,309

c) Information on investment securities measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	92,712,302	36,471,527	72,305,609	29,788,256
Publicly-traded	92,712,302	36,471,527	72,305,609	29,788,256
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	92,712,302	36,471,527	72,305,609	29,788,256

d) Movement of investments measured at amortized cost within the period

	Current Period	Prior Period
Value at the beginning of the period	102,093,865	61,963,305
Exchange differences on monetary assets	5,602,433	11,129,111
Acquisitions during the year	19,551,082	33,404,616
Disposals through sales and redemptions	(21,505,687)	(23,033,396)
Provision for losses (-)	-	-
Valuation effect	23,442,136	18,630,229
The sum of end of the period	129,183,829	102,093,865

As of 31 December 2024, a provision amounting to TL 17,707 (31 December 2023 - TL 25,998) is provided for the financial assets measured at amortized cost.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

8. Investments in associates (Net)

8.1. Investments in associates

a) Information on the unconsolidated subsidiaries

Title	Address (City/ Country)	Bank's Share- If Different, Voting Rights(%)	Bank's Risk Group Share(%)
1. Bankalararası Kart Merkezi (BK ^M)(^(*))(^(***))	Istanbul/Türkiye	4.52	4.52
2. JCR Avrasya Derecelendirme A.Ş. (^(**))	Istanbul/Türkiye	2.86	2.86
3. İhracatı Geliştirme A.Ş. (İGE)(^(**))(^(****))	Istanbul/Türkiye	0.36	0.36
4. Kredi Garanti Fonu A.Ş. (KGF)(^(**))(^(****))	İstanbul/Türkiye	1.49	1.49

	Total Assets	Shareholder's Equity	Total Fixed Assets(^(****))	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	5,664,287	5,036,126	1,180,498	1,069,288	-	1,409,366	3,530,565	-
2.	374,362	285,061	28,392	81,644	-	48,014	100,751	-
3.	7,805,521	7,020,592	796,503	2,550,139	-	(530,590)	1,154,146	-
4.	4,453,051	1,780,091	97,487	761,726	-	(50,233)	(262,350)	-

(^(*)) Current period information is based on 30 September 2024 financials. Prior period profit and loss amounts are based on 30 September 2023 financials.

(^(**)) Current period information is based on 31 December 2023 financials. Prior period profit and loss amounts are based on 31 December 2022 financials.

(^(***)) Information for the current and prior periods are based on inflation adjusted financial statements.

(^(****)) Total fixed assets consist of tangible and intangible fixed assets.

b) Information on the consolidated subsidiaries

None (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

8. Investments in associates (Net) (Continued)

8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	53,722	45,477
Movements During the Period	15	8,245
Purchases	-	-
Bonus Shares Received ^(*)	15	571
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	7,674
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	53,737	53,722
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

^(*) Bonus shares received includes the capital contribution amounts from Borsa İstanbul A.Ş. in current period and from JCR Avrasya Derecelendirme A.Ş. in prior period.

8.3. Sectoral information on investments and associates, and the related carrying amounts

	Current Period	Prior Period
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	53,737	53,722
Total	53,737	53,722

8.4. Quoted Associates

None (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

Title	Address (City/ Country)	Bank's Share- If different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Türkiye	99.91	99.99
2. EFİNANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/Türkiye	100.00	100.00

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	591,888	11,824	160,053	-	-	15,291	11,362	-
2.	1,174,664	661,217	56,528	168,757	-	82,005	63,360	-

b) Information on the subsidiaries

b.1) Information on the subsidiaries

Subsidiary	Address (City/Country)	Bank's Share If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. QNB Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	99.80	100.00
2. QNB Finansal Kiralama A.Ş.	Istanbul/Türkiye	99.40	99.40
3. QNB Portföy Yönetimi A.Ş.	Istanbul/Türkiye	88.89	100.00
4. QNB Faktoring A.Ş.	Istanbul/Türkiye	99.99	100.00
5. QNB Varlık Kiralama Şirketi A.Ş.	Istanbul/Türkiye	-	100.00
6. QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş.	Istanbul/Türkiye	100.00	100.00

Information on subsidiaries in the order presented in the table above

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	7,172,115	4,012,612	118,476	2,404,299	90,337	1,724,786	933,347	-
2.	31,209,186	4,650,724	52,999	5,436,602	13,520	1,205,185	824,381	4,622,820
3.	1,659,496	1,363,623	4,858	14,607	-	776,336	250,241	-
4.	27,505,296	3,831,878	37,899	7,942,481	-	1,350,820	926,785	-
5.	1,559,157	2,352	-	-	-	829	742	-
6.	10,883,959	3,572,818	157,962	1,444,851	227,309	1,996,294	966,314	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

9. Investments in subsidiaries (Net) (Continued)

b) Information on the subsidiaries (Continued)

b.2) Movement of subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	9,789,830	3,490,203
Movements during the period	9,235,129	6,299,627
Purchases ^(*)	1,993,986	981,000
Bonus Shares Received	-	885,002
Dividends from Current Year Profit	-	-
Disposals	-	-
Revaluation Increase ^(**)	7,241,143	4,433,625
Impairment Provision	-	-
Balance at the End of the Period	19,024,959	9,789,830
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

^(*) With the Extraordinary General Assembly Decision of QNB Finansal Kiralama A.Ş. dated 21 November 2024, the company capital of TL 1,000,000 was increased to TL 2,000,000 through a capital increase through rights issue.

With the decision of the Board of Directors of QNB Faktoring A.Ş. dated 12 February 2024, the company capital of TL 65,000 was increased to TL 1,065,000 through a capital increase through rights issue.

Regarding the partnership share in QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş., whose 49% capital is owned by the Bank, with the decision of Bank's Board of Directors, 22,950,000 shares with a total nominal value of TL 22,950,000 which is owned by Cigna Nederland Gamma BV and corresponds to 51% of the capital of QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş., was decided to be purchased with a price of TL 981,000,000 (in full TL). In this context, a Share Purchase Agreement was signed with Cigna Nederland Gamma BV on 21 October 2022. The Bank's shareholding in QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. has increased to 100% following the completion of the said share transfer transactions, obtaining the necessary permits, and the registration of the General Assembly regarding the share transfer on 13 January 2023.

^(**) Includes equity method accounting differences.

b.3) Sectoral information on financial subsidiaries and the related carrying amounts

	Current Period	Prior Period
Factoring Companies	3,831,879	1,477,891
Leasing Companies	4,622,820	2,435,631
Finance Companies	5,504,259	3,310,198
Other Subsidiaries	5,066,001	2,566,110
Total	19,024,959	9,789,830



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

9. Investments in subsidiaries (Net) (Continued)

b.4) Consolidated subsidiaries quoted on stock exchange

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	4,622,820	2,435,631
Quoted on International Stock Exchanges	-	-
Total	4,622,820	2,435,631

b.5) Information on shareholders' equity of the significant subsidiaries

The Bank does not have any significant subsidiaries.

10. Information on joint ventures

Jointly Controlled Entities (Joint Ventures)	Bank's Share-If different. Voting Rights (%)	Bank's Risk Group Share (%)	Total Assets	Total Fixed Asset	Long Term Liabilities	Income	Expense
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33	33.33	401,576	241,478	143,308	1,616,588	1,485,985

(*) Current period information is based on the financial statements prepared as of 30 November 2024.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

11. Information on lease receivables (Net)

None (31 December 2023 - None).

12. Information on the hedging derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	2,082,932	509,242	2,889,729	284,437
Cash Flow Hedge ^(**)	912,432	2,451,822	1,126,544	2,955,915
Foreign Net Investment Hedges	-	-	-	-
Total	2,995,364	2,961,064	4,016,273	3,240,352

^(*) The derivative financial instruments used for hedging the fair value risk consist of swaps. As of 31 December 2024, the fair value of these instruments is 2,082,932 TL (31 December 2023 - TL 2,891,841) for loans, TL 470,559 for securities (31 December 2023 - TL 284,437), and TL 38,683 for securities issued (31 December 2023 - None), representing the fair value of the derivative financial instruments used in hedging the fair value risk.

^(**) Represents the fair value of derivative financial instruments for cash flow hedge of deposits and floating interest borrowings.

13. Explanations on tangible assets

Prior Year End	Land and Buildings ^(*)	Fixed Assets from Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
Cost	12,433,054	263,332	417,061	4,917,757	18,031,204
Accumulated Depreciation(-)	1,037,551	244,768	116,859	2,147,431	3,546,609
Net Book Value	11,395,503	18,564	300,202	2,770,326	14,484,595
Current Year End					
Cost at the Beginning of the Period	12,433,054	263,332	417,061	4,917,757	18,031,204
Additions ^(**)	2,152,162	-	189,150	2,954,280	5,295,592
Disposals (-)	259,650	2,149	43,539	48,004	353,342
Impairment (-)/(increase)	-	-	-	-	-
Revaluation cost	3,385,589	-	-	-	3,385,589
Current Period Cost	17,711,155	261,183	562,672	7,824,033	26,359,043
Accumulated Depreciation at the Beginning of the Period	1,037,551	244,768	116,859	2,147,431	3,546,609
Disposals (-)	57,810	990	18,515	36,218	113,533
Depreciation Amount	704,598	8,516	79,065	852,485	1,644,664
Current Period Accumulated Depreciation (-)	1,684,339	252,294	177,409	2,963,698	5,077,740
Net Book Value-end of the Period	16,026,816	8,889	385,263	4,860,335	21,281,303

^(*) Includes asset usage rights of real estate leased under “TFRS 16 Leases”. As of 31 December 2024, the asset usage rights amount to TL 2,110,310 and the related accumulated depreciation amount is TL 1,527,889.

^(**) As stated in footnote in Section III - Part 4, fair value exchange difference income amortized at an amount of TL 27,685 belonging to immovable property subjected to fair value hedge accounting by the Bank is shown on “Additions” line in Property, Plant and Equipment movement statement.

a) If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements

Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements

There is no provision for impairment in the current period as a result of changes in the fair values of real estates determined by licensed real estate valuation companies (31 December 2023 - None).

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this

None (31 December 2023 - None).

c) Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets

None (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

14. Explanations on intangible assets

	Intangible Rights	Goodwill	Total
Prior Period End			
Cost	4,058,315	-	4,058,315
Accumulated Amortization (-)	1,869,000	-	1,869,000
Net Book Value	2,189,315	-	2,189,315
Current Period End			
Cost at the Beginning of the Period	4,058,315	-	4,058,315
Additions	3,081,078	-	3,081,078
Disposals(-)	24,944	-	24,944
Impairment (-)/(increase)	-	-	-
Revaluation cost	-	-	-
Current Period Cost	7,114,449	-	7,114,449
Accumulated Amortization at the Beginning of the Period	1,869,000	-	1,869,000
Disposals(-)	254	-	254
Amortization Charge (-)	837,891	-	837,891
Current Period Accumulated Amortization (-)	2,706,637	-	2,706,637
Net Book Value-End of the Period	4,407,812	-	4,407,812

a) Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements

None (31 December 2023 - None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition

None (31 December 2023 - None).

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition

None (31 December 2023 - None).

d) The book value of intangible fixed assets that are pledged or restricted for use

None (31 December 2023 - None).

e) Amount of purchase commitments for intangible fixed assets

None (31 December 2023 - None).

f) Information on revalued intangible assets according to their types

None (31 December 2023 - None).

g) Amount of total research and development expenses recorded in the statement of profit or loss and other comprehensive income within the period if any

Amount of research expenses recorded in the statement of profit or loss and other comprehensive income within the current period TL 71,883 (31 December 2023 - TL 38,717).

h) Positive or negative consolidation goodwill on entity basis

None (31 December 2023 - None).

i) Information on goodwill

None (31 December 2023 - None).

j) Movements on goodwill in the current period

None (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

15. Information on assets held for sale and discontinued operations

None (31 December 2023 - None).

16. Information on Tax Asset

As of 31 December 2024, the Bank has TL 5,365,515 deferred tax asset calculated under the related regulations.

Deferred tax assets and liabilities are reflected to the financial statements by netting off according to TAS 12. As of 31 December 2024, the Bank has deferred tax assets amounting to TL 14,548,732 and deferred tax liabilities amounting to TL 9,183,217 which arise between the carrying amount of the assets and liabilities in the balance sheet and the tax bases determined in accordance with tax legislation and calculated over the amounts to be taken into account in the calculation of financial profit/the tax liability is netted and recorded in the records.

Deferred tax is offset against deferred tax assets or liabilities, if the differences between the carrying amount and the fair value of the related assets are related to the equity account group. The deferred tax income amounting to TL 929,453 has been netted under equity (31 December 2023 - TL 1,420,311 deferred tax income).

	Accumulated Temporary Differences		Deferred Tax Assets/ (Liabilities)	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Provision for Employee Rights	3,791,842	2,780,360	1,137,553	834,108
Difference Between the Book Value of Financial Assets and Tax Base	1,838,500	4,869	551,550	1,461
Other ^(*)	42,865,432	33,696,367	12,859,629	10,108,910
Deferred Tax Assets			14,548,732	10,944,479
Differences Between Carrying Value and Tax Value of Tangible Fixed Assets	-	(278)	-	(83)
Differences Between Carrying Value and Tax Basis of Financial Assets	(20,059,379)	(12,030,273)	(6,017,814)	(3,609,082)
Other	(10,551,346)	(2,512,745)	(3,165,403)	(753,824)
Deferred Tax Liabilities			(9,183,217)	(4,362,989)
Deferred Tax Assets/(Liabilities) - Net			5,365,515	6,581,490

^(*) TL 23,166,023 includes accumulated temporary differences related to expected loss provisions (31 December 2023 - TL 19,613,919).

	Current Period 01.01-31.12.2024	Prior Period 01.01-31.12.2023
Deferred Tax as of 1 January Active/ Passive - Net	6,581,490	354,327
Deferred Tax (Loss) / Income - Net	(2,145,428)	4,806,852
Deferred Tax that is Realized Under Shareholder's Equity	929,453	1,420,311
Deferred Tax Active/ (Passive) - Net	5,365,515	6,581,490



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

17. Information on assets held for sale and discontinued operations

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	-	-
Acquired	-	-
Impairment (-)	-	-
Net Book Value at the End of the Period	-	-

18. Information on other assets

Other assets item of the balance sheet does not exceed 10% of the balance sheet total excluding off balance sheet commitments.

As of 31 December 2024, provisions for other assets amount to TL 25,388 (31 December 2023 - TL 22,683).

19. Accrued interest and income

The details of interest and income accruals and rediscounts distributed on the related accounts and the details of the unrealized fair value increases (decreases) are presented in the table below.

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments	4,242,985	6,700,341	6,759,993	6,237,719
Loans	23,401,007	6,707,878	12,295,976	5,197,443
Financial Assets measured at amortized cost	2,828,409	(730,447)	2,599,234	(853,858)
Financial Assets at Fair Value Through Other Comprehensive Income	11,880,901	633,749	11,085,004	497,745
Central Bank of Türkiye	10,405,882	-	81,415	-
Financial Assets at Fair Value Through Profit or Loss	169,167	3,355	25,252	19,156
Banks	-	-	46,630	-
Other Accruals	187,363	30,680	47,112	41,261
Total	53,115,714	13,345,556	32,940,616	11,139,466



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	43,367,324	-	82,819,969	217,278,958	52,614,650	15,073,418	7,592,916	1,756	418,748,991
Foreign Currency	147,292,367	-	12,235,083	9,626,299	1,069,969	453,929	454,227	6,167	171,138,041
Residents in Türkiye.	135,927,103	-	11,960,775	9,167,099	1,034,138	432,021	362,360	6,167	158,889,663
Residents Abroad	11,365,264	-	274,308	459,200	35,831	21,908	91,867	-	12,248,378
Public Sector Deposits	4,358,564	-	143,516	120,672	-	-	-	-	4,622,752
Commercial Deposits	23,623,762	-	66,947,738	51,221,306	12,167,184	3,386,346	3,053,005	-	160,399,341
Other Ins. Deposits	430,850	-	745,598	5,569,952	562,865	628,482	131	-	7,937,878
Precious Metal Deposits	58,742,944	-	88,916	14,562	-	-	959,782	-	59,806,204
Bank Deposits	297,324	-	36,024,018	19,237,335	995,410	1,016,035	-	-	57,570,122
T.R Central Bank.	-	-	-	-	-	-	-	-	-
Domestic Banks	8,774	-	9,326,637	-	-	-	-	-	9,335,411
Foreign Banks	288,550	-	26,697,381	19,237,335	995,410	1,016,035	-	-	48,234,711
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total^(*)	278,113,135	-	199,004,838	303,069,084	67,410,078	20,558,210	12,060,061	7,923	880,223,329

^(*) As of 31 December 2024, the balance of saving deposits includes TL 49,709,368 CBRT Currency Protected Deposits.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	27,893,499	-	49,344,669	49,231,023	99,526,973	40,555,786	9,060,383	1,347	275,613,680
Foreign Currency	129,578,727	-	16,837,949	33,318,758	3,728,411	782,658	1,144,870	6,581	185,397,954
Residents in Türkiye	120,792,505	-	15,983,055	32,277,959	3,539,093	699,345	649,763	6,581	173,948,301
Residents Abroad	8,786,222	-	854,894	1,040,799	189,318	83,313	495,107	-	11,449,653
Public Sector Deposits	1,154,447	-	2,515	88,335	-	-	-	-	1,245,297
Commercial Deposits	19,742,589	-	31,161,782	12,920,808	19,922,891	13,940,276	9,771,674	-	107,460,020
Other Ins. Deposits	302,301	-	233,749	765,619	823,513	115,000	9,517	-	2,249,699
Precious Metal Deposits	33,732,699	-	117,147	58,862	148,831	-	442,018	-	34,499,557
Bank Deposits	1,126,701	-	9,101,219	12,450,245	1,467,378	1,438,358	-	-	25,583,901
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	48,433	-	923,841	-	-	-	-	-	972,274
Foreign Banks	1,078,268	-	8,177,378	12,450,245	1,467,378	1,438,358	-	-	24,611,627
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total^(*)	213,530,963	-	106,799,030	108,833,650	125,617,997	56,832,078	20,428,462	7,928	632,050,108

^(*) As of 31 December 2023, the balance of savings deposits includes the amount of TL 5,280,517 Treasury Currency Protected Deposits and TL 134,917,500 CBRT Currency Protected Deposits.

1.1. Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit^(*)

	Covered by Deposit Insurance Fund		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	170,872,167	106,246,382	420,836,795	280,322,314
Foreign Currency Savings Deposits	66,541,667	54,536,106	164,402,578	165,361,405
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	237,413,834	160,782,488	585,239,373	445,683,719

^(*) With the amendment of the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums Collected by The Savings Deposit Insurance Fund published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds in credit institutions, other than those belonging to official institutions, credit institutions and financial institutions, started to be insured. In this context, commercial deposits covered by insurance amount to TL 23,889,137 (31 December 2023 - TL 17,545,869) is included in the footnote.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

1.2. Savings deposits in Türkiye are not covered under insurance in another country since the headquarter of the Bank is not located abroad

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	10,747	14,370
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	1,456,117	924,939
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated 26 September 2004	-	-
Saving deposits in banks established in Türkiye exclusively for off-shore banking activities	-	-
Total	1,466,864	939,309



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

2. Information on trading derivative financial liabilities

Negative differences table for derivative financial liabilities held for trading

	Current Period ^(*)		Prior Period	
	TL	FC	TL	FC
Forwards transactions	2,647,549	15,429	286,280	110,655
Swaps transactions	882,852	2,620,293	1,044,552	2,419,434
Futures transactions	-	-	-	-
Options	36	1,062,782	327	290,250
Other	-	-	-	-
Total	3,530,437	3,698,504	1,331,159	2,820,339

^(*) Derivative financial liabilities held for trading in the current period are shown on the financial statement in 7.1 Derivative Financial Liabilities line.

3. Information on funds borrowed

a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	599,909	761,174	473,527	459,973
Foreign Bank, Institutions and Funds	40,000	154,917,864	-	103,890,142
Total	639,909	155,679,038	473,527	104,350,115

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	639,909	47,808,479	473,527	24,879,230
Medium and Long-Term	-	107,870,559	-	79,470,885
Total	639,909	155,679,038	473,527	104,350,115

The Bank's fund sources include deposits, funds borrowed, securities issued and money market borrowings. Deposit is the most significant fund source of the Bank and does not present any risk concentration with its consistent structure extended to a wide base. Funds borrowed mainly consist of funds provided by foreign financial institutions which have different characteristics and maturity-interest structure such as syndication, securitization, and post-financing. There isn't risk concentration on the fund sources of the Bank.

c) Additional information on concentrations of the Bank's liabilities

As of 31 December 2024 the Bank's liabilities comprise; 58% deposits (31 December 2023 - 64%), 10% funds borrowed (31 December 2023 - 11%), 5% issued bonds (31 December 2023 - 6%) and 10% money market debts (31 December 2023 - 3%).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	94,278,476	-	111,969	-
Financial institutions and organizations	94,250,112	-	100,346	-
Other institutions and organizations	19,195	-	6,243	-
Natural persons	9,169	-	5,380	-
From foreign transactions	2,412,256	48,467,653	189,980	27,736,364
Financial institutions and organizations	2,373,293	48,467,653	183,633	27,736,364
Other institutions and organizations	38,963	-	5,446	-
Natural persons	-	-	901	-
Total	96,690,732	48,467,653	301,949	27,736,364

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,736,294	18,425,962	3,814,855	13,001,776
Bills	-	46,019,814	-	29,132,547
Total	2,736,294	64,445,776	3,814,855	42,134,323

The Bank has USD 4 Billion bond issuance program (Global Medium Term Note Program) and USD 1 Billion green and/or sustainable debt instrument issuance limit.

6. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items.

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration determination of payment plans in the leasing contracts.

7.1. Explanations on financial lease liabilities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	63,866	47,669	43,397	35,660
Between 1 - 4 years	2,170,101	1,631,132	1,359,947	1,115,582
More than 4 years	-	-	-	-
Total	2,233,967	1,678,801	1,403,344	1,151,242



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts (Continued)

7.2. Information and footnotes on operational lease

The bank makes operating lease agreements for some branches and ATM machines. The lease agreements are amortized during the lease period by measuring the lease obligation based on the present value of the lease payments (lease obligation) that has not been paid at that time (the lease obligation) as well as the relevant usage right as of the same date. Lease payments are discounted using this rate if the implicit interest rate in the lease can be easily determined. If the tenant cannot easily determine this rate, he uses the alternative borrowing interest rate. The tenant separately records the interest expense on the rental obligation and the depreciation expense of the right to use asset.

7.3. Information on “Sale -and- lease back” agreements

The Bank does non sale-and-lease back transactions in the current period (31 December 2023 - None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period ^(***)		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	1,081,111	3,451	-	301,174
Cash Flow Hedge ^(**)	1,992,982	1,042,321	105,202	369,206
Net Investment Hedge	-	-	-	-
Total	3,074,093	1,045,772	105,202	670,380

^(*) Derivative financial instruments for fair value hedges consist of swaps. As of 31 December 2024, TL 3,451 (31 December 2023 - TL 154,155) and TL 1,081,111 (31 December 2023 - None) represents the fair value of derivative financial instruments used for fair value hedges of marketable securities and loans, respectively. In the current period, there is no fair value of derivative financial instruments used in fair value hedges of securities issued (31 December 2023 - TL 147,019).

^(**) It represents the fair value of deposits, floating rate loans extended as FC and derivative financial instruments for cash flow hedging of floating rate borrowings.

^(***) Derivative financial liabilities for the fair value hedge purposes in the period are presented in line 7.1 of the financial statements and financial liabilities for the purpose of cash flow hedges are shown in line 7.2.

9. Information on provisions

9.1. Provision for currency exchange income/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans ^(*)	-	-

9.2. Specific provisions for non-cash loans that are not indemnified and converted into cash or expected loss provision for non-cash

	Current Period	Prior Period
Stage 1	1,448,063	1,859,894
Stage 2	135,192	50,405
Stage 3	41,301	27,904
Total	1,624,556	1,938,203



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

9. Information on provisions (Continued)

9.3. Information on employee termination benefits

The Bank calculated the provision for employee benefits using the actuarial valuation method specified in TAS 19 and reflected it in its financial statements. In this context, a discount rate of 4.0% (31 December 2023 - 4.0%) has been applied in the calculation of the total loan compensation liability.

As of 31 December 2024 the Bank presented the provision for severance pay of TL 1,189,899 (31 December 2023 - TL 919,522) under the “Reserves for Employee Benefits” item in its financial statements.

As of 31 December 2024, the Bank has shown a total vacation liability of TL 398,118 (31 December 2023 - TL 214,882) under the “Reserves for Employee Benefits” in its financial statements.

As of 31 December 2024, TL 2,203,825 (31 December 2023 - TL 1,645,956) provision for salaries, bonuses and premiums to be paid to the personnel has been presented under the “Reserve for Employee Benefits” in its financial statements.

9.3.1. Movement of employee termination benefits

	Current Period 01.01-31.12.2024	Prior Period 01.01-31.12.2023
As of 1 January	919,522	1,145,986
Service Cost	126,830	119,078
Interest Cost	196,570	109,071
Settlement / curtailment / termination loss	131,975	32,118
Actuarial Difference	165,777	(53,860)
Paid during the period	(350,775)	(432,871)
Total	1,189,899	919,522

9.4. Information on other provisions

Except for those stated in footnote 9.3 above, other provisions amounting to TL 653,801 (31 December 2023 - TL 318,321) includes provisions for lawsuits and tax lawsuits against the Bank. The Bank has benefited from the relevant articles of the Law No. 7326 regarding various ongoing tax lawsuits.

The unconsolidated financial statements prepared as of 31 December 2024, include a free provision amounting of TL 4.700.000 (31 December 2023 - TL 6.800.000) which provided in prior year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Information on the part of the free provision that has been reversed in the current period is stated in Section 5, Note IV.6.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

10. Explanations on taxation

10.1. Information on current taxes

10.1.1. Information on current tax liability

The Bank has a tax liability of TL 3,194,270 as of 31 December 2024 (31 December 2023 - TL 2,141,659). As of 31 December 2024, the Bank's prepaid tax is amounting to TL 29,322 (31 December 2023 - TL 26,773).

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	3,194,270	2,141,659
Banking and Insurance Transaction Tax (BITT)	2,913,565	1,344,873
Taxation on Securities Income	2,152,068	285,284
Taxation on Real Estates Income	11,000	7,561
Other	473,567	237,171
Total	8,744,470	4,016,548

The “Corporate Taxes Payable” balance is presented in the “Current Tax Liability” account and other taxes are presented in the “Other Liabilities” account in the accompanying unconsolidated financial statements.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

10. Explanations on taxation (Continued)

10.1. Information on current taxes (Continued)

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	115,454	103,907
Social Security Premiums - Employer Share	158,926	127,617
Unemployment Insurance - Employee Share	7,481	6,772
Unemployment Insurance - Employer Share	14,965	13,547
Total	296,826	251,843

11. Information on payables related to assets held for sale

None (31 December 2023 - None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
To be included in the calculation of additional capital	-	18,533,717	-	15,468,985
Subordinated Loans	-	18,533,717	-	15,468,985
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	13,765,122	-	11,479,871
Subordinated loans	-	3,035,135	-	2,528,610
Subordinated debt instruments	-	10,729,987	-	8,951,261
Total	-	32,298,839	-	26,948,856



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

13. Information on shareholder’s equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	3,350,000	3,350,000
Preferred Stock	-	-

13.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Capital System	Paid-in Capital	Ceiling
Registered Capital System	3,350,000	20,000,000

13.3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period

None (31 December 2023 - None).

13.4. Information on share capital increases from revaluation funds

None (31 December 2023 - None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank does not have any capital commitments, all of the capital is fully paid-in.

13.6. Prior periods’ indicators related with the Bank’s income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank’s equity

None (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

13. Information on shareholder's equity (Continued)

13.7. Information on the privileges given to stocks representing the capital

None (31 December 2023 - None).

14. Common stock issue premiums

	Current Period	Prior Period
Number of Stocks (Thousands)	33,500,000	33,500,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums ^(*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

^(*)Due to the Bank's capital increase at the prior periods, common stock issue premium accounted amounting to TL 714.

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Measured at Fair Value Through Other Comprehensive Income (FVOCI)	(3,330,336)	(900,979)	(383,350)	(1,110,440)
Valuation Difference	(3,330,336)	(900,979)	(383,350)	(1,110,440)
Foreign Exchange Rate Difference	-	-	-	-
Total	(3,330,336)	(900,979)	(383,350)	(1,110,440)

16. Accrued interest and expenses

The details of interest and expense rediscounts distributed on the related accounts and the details of the unrealized fair value increases (decreases) are presented in the table below.

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities	6,604,530	4,744,276	1,436,361	3,490,719
Deposits	15,740,376	264,318	12,924,866	310,841
Funds Borrowed	36,543	2,934,191	19,730	1,548,650
Money Market Borrowings	354,031	934,919	16,905	509,179
Securities Issued	-	12,172,018	-	9,582,323
Other Accruals	1,924,164	1,020,456	1,143,176	1,234,481
Total	24,659,644	22,070,178	15,541,038	16,676,193



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Credit Cards Limit Commitments	701,154,935	376,605,042
Commitment For Use Guaranteed Credit Allocation	170,604,108	93,560,986
Forward, Asset Purchase Commitments	57,800,503	10,962,370
Other Irrevocable Commitments	14,191,940	6,177,238
Payment Commitments for Cheques	9,978,545	6,684,472
Commitments for Promotions Related with Credit Cards and Banking Activities Prom. Uyg. Taah	266,571	211,656
Tax and Fund Liabilities due to Export Commitments	638,126	279,060
Total	954,634,728	494,480,824

1.2. Type and amount of possible losses and commitments from off-balance sheet items

A provision of TL 1,624,556 (31 December 2023 - TL 1,938,203) has been made for non-compensated and non-cash loans or expected loan losses on off-balance sheet loans.

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Bank Loans	18,581,093	13,059,090
Letters of Credit	15,418,060	11,561,897
Total	33,999,153	24,620,987

1.4. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Final Letters of Guarantee	40,096,354	27,300,457
Advance Letters of Guarantee	22,796,737	16,887,172
Provisional Letters of Guarantee	3,328,527	1,165,597
Letters of Guarantee Given to Customs Offices	1,548,798	1,349,881
Other Letters of Guarantee	40,566,228	31,540,226
Total	108,336,644	78,243,333

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	16,069,874	13,691,699
Less Than or Equal to One Year with Original Maturity	1,394,237	428,986
More Than One Year with Original Maturity	14,675,637	13,262,713
Other Non-Cash Loans	126,265,923	89,172,621
Total	142,335,797	102,864,320



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	203,956	0.30	137,642	0.19	244,389	0.50	-	-
Farming and Raising Livestock	167,401	0.24	137,642	0.19	167,207	0.34	-	-
Forestry	22,753	0.03	-	-	20,553	0.04	-	-
Fishing	13,802	0.02	-	-	56,629	0.12	-	-
Manufacturing	22,312,681	32.37	37,145,186	50.60	16,773,181	34.52	27,294,734	50.29
Mining and Quarrying	274,712	0.40	78,391	0.11	266,113	0.55	40,035	0.07
Production	20,040,580	29.07	36,129,372	49.22	15,420,248	31.74	26,788,571	49.36
Electricity, gas and water	1,997,389	2.90	937,423	1.28	1,086,820	2.24	466,128	0.86
Construction	15,845,388	22.99	14,850,501	20.23	9,320,457	19.18	10,709,626	19.73
Services	29,755,760	43.17	17,894,744	24.38	21,976,820	45.23	15,376,420	28.33
Wholesale and Retail Trade	19,603,101	28.44	6,785,297	9.24	14,842,936	30.55	6,380,976	11.76
Hotel, Food and Beverage Services	1,165,628	1.69	392,619	0.53	1,157,226	2.38	270,042	0.50
Transportation&Communication	1,380,295	2.00	929,169	1.27	873,419	1.80	1,208,576	2.23
Financial Institutions	3,745,312	5.43	7,052,930	9.61	3,226,044	6.64	5,349,535	9.86
Real Estate and Renting Services	282,648	0.41	319,959	0.44	80,816	0.17	448,926	0.83
Self Employment Services	1,801,022	2.61	1,306,032	1.78	1,177,719	2.42	915,500	1.69
Educational Services	27,813	0.04	-	-	35,652	0.07	-	-
Health and Social Services	1,749,941	2.54	1,108,738	1.51	583,008	1.20	802,865	1.48
Other	810,696	1.18	3,379,243	4.60	274,876	0.57	893,817	1.65
Total	68,928,481	100.00	73,407,316	100.00	48,589,723	100.00	54,274,597	100.00

4. Information on non-cash loans classified in first and second groups

Current Period ^(*)	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	53,170,953	42,210,592	9,024,909	3,888,889
Bills of Exchange and Acceptances	6,121,744	10,735,309	537,400	1,186,640
Letters of Credit	16,649	13,131,243	15,525	2,254,643
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-Cash Loans	59,309,346	66,077,144	9,577,834	7,330,172

^(*) The amount of TL 41,301 excluded for non-cash loans and ECL provision of non-cash loans which are under off-balance accounts and not indemnified and unliquidated but provisioned.

Prior Period ^(*)	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	43,681,468	32,969,321	408,231	1,156,409
Bills of Exchange and Acceptances	4,385,051	8,441,758	39,500	192,781
Letters of Credit	47,569	11,513,217	-	1,111
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-Cash Loans	48,114,088	52,924,296	447,731	1,350,301

^(*) The amount of TL 27,904 excluded for non-cash loans and ECL provision of non-cash loans which are under off-balance accounts and not indemnified and unliquidated but provisioned.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	598,831,230	536,290,471
Forward transactions ^(*)	139,715,838	62,546,387
Swap transactions	382,259,721	443,564,169
Futures transactions	620,832	15,572,793
Option transactions	76,234,839	14,607,122
Interest Related Derivative Transactions (II)	387,054,514	318,167,378
Forward rate transactions	-	-
Interest rate swap transactions	387,054,514	318,167,378
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	-	1,177,528
A.Total Trading Derivative Transactions (I+II+III)	985,885,744	855,635,377
Types of hedging transactions		
Fair value hedges	84,605,800	34,413,172
Cash flow hedges	230,130,541	170,008,995
Net investment hedges	-	-
B.Total Hedging Related Derivatives	314,736,341	204,422,167
Total Derivative Transactions (A+B)	1,300,622,085	1,060,057,544

^(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

Current Period	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
TL	5,160,257	44,331,607	77,176,829	157,835,073	4,386,608	16,001,936	278,663	63,737	-
USD	36,870,865	13,310,896	330,391,505	240,102,603	18,553,816	12,376,054	53,802	224,630	-
Euro	24,510,539	14,115,716	65,308,196	140,420,002	13,661,381	10,234,813	-	-	-
Other	842,501	573,457	71,627,874	1,188,494	501,341	518,890	-	-	-
Total	67,384,162	72,331,676	544,504,404	539,546,172	37,103,146	39,131,693	332,465	288,367	-

^(*) This column also includes hedging purpose derivatives.

^(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

Prior Period	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
TL	20,596,335	1,922,483	53,595,957	197,555,847	7,212,979	340,337	8,006,635	-	-
USD	6,647,440	21,756,859	342,025,333	190,929,421	520,376	5,008,813	-	6,947,062	1,177,528
Euro	4,263,478	6,310,130	47,136,120	94,146,959	9,153	1,515,464	-	-	-
Other	626,629	423,033	39,540,443	1,223,634	-	-	-	619,096	-
Total	32,133,882	30,412,505	482,297,853	483,855,861	7,742,508	6,864,614	8,006,635	7,566,158	1,177,528

^(*) This column also includes hedging purpose derivatives.

^(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

5. Information on derivative financial instruments (Continued)

5.1. Fair value hedge accounting

a) Loans

The Bank applies fair value hedge accounting within the framework of TAS 39 by performing swap transactions in order to protect itself against changes that may occur in the fair value of a certain part of its long term fixed interest loans resulting from changes in market interest rates. On 31 December 2024, the TL installment loans amounting to TL 26,453,651 (31 December 2023 - TL 725,780) were subject to hedge accounting by swaps with a nominal amount of TL 15,312,045 (31 December 2023 - TL 1,102,305). On 31 December 2024, the net market valuation difference loss of TL 190,104 (31 December 2023 - 7,342 income) arising from TL 190,365 loss from the aforementioned loans (31 December 2023 - TL 92,934 income) and TL 261 income from swaps (31 December 2023 - TL 85,593 loss), is shown under “Income/Loss From Derivative Financial Transactions” account in the financial statements.

According to TAS 39, fair value hedge accounting definitions, some of the fair value hedge accounting applications ceased. The fair value differences of the hedged loans are amortized through statement of profit or loss and other comprehensive income until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 31,650 (31 December 2023 - TL 247,211 income) related to the loans that are ineffective for hedge accounting under “Income/(Loss) From Financial Derivatives Transactions” as income during the current period.

b) Financial assets measured at fair value through other comprehensive income

The Bank applies fair value hedge accounting through swaps in order to hedge long term fixed coupon foreign currency eurobonds in its portfolio against interest rate fluctuations. As of the balance sheet date, eurobonds with a nominal value of USD 212,671 Million (31 December 2023 - USD 212,671 Million) were subject to hedge accounting by interest swaps of the same nominal value. On 31 December 2024, net market valuation difference income of TL 27,106 (31 December 2023 - TL 2,775 loss) arising from, TL 329,370 loss from aforementioned eurobonds (31 December 2023 - TL 17,532 loss) and TL 356,476 income from swaps (31 December 2023 - TL 14,757 income), is shown under “Income/Loss From Derivative Financial Transactions” account in the financial statements.

The Bank does not have a TL denominated government bond portfolio subject to fair value hedge accounting in the current period (31 December 2023 - None).

c) Marketable Securities Issued

The Bank applies fair value hedge accounting using interest rate swaps in order to hedge against changes in interest rate with regard to fixed rated, FC denominated securities issued. As of the balance sheet date, bonds with a nominal value of USD 500 Million (31 December 2023 - USD 300 Million) are subject to hedge accounting with the same nominal amount of swaps. As of 31 December 2024, a net market valuation difference loss of TL 34,778 (31 December 2023 - TL 5,102 loss) consisting of TL 328,164 loss from the aforementioned securities (31 December 2023 - TL 45,580 loss) and TL 293,385 income from swaps (31 December 2023 - TL 39,605 income), is shown under “Income/Loss From Derivative Financial Transactions” account in the financial statements.

5.2. Cash flow hedge accounting

a) Floating Rate Loans

The Bank subjects a certain portion of its floating rate TL and FX loans to cash flow hedge accounting using interest swaps in order to hedge against changes in market interest rates. The Bank applies efficiency tests for hedge accounting at every balance sheet date, the active parts are accounted under equity in the “Hedge Funds” account line in the financial statements as defined in TAS 39, and the amount related to the ineffective part is associated with the profit or loss.

In this context; as of the balance sheet date, swaps with a nominal amount of USD 665 Million (31 December 2023 - USD 525 Million) regarding the floating rate TL loans extended by the Bank are subject to hedge accounting as hedging instruments. As a result of the aforementioned hedge accounting, the fair value loss before tax amounting to TL 89,378 (31 December 2023 - TL 166,065 income) has been accounted for under equity in the current period. The income amounting to TL 13,380 related to the ineffective portion is associated with the profit or loss statement (31 December 2023 - TL 531 loss).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

5. Information on derivative financial instruments (Continued)

5.2. Cash flow hedge accounting (Continued)

On the other hand; as of the balance sheet date, swaps with a nominal amount of TL 3,640 Million (31 December 2023 - TL 5,724 Million) regarding the floating rate TL loans extended by the Bank are subject to hedge accounting as a hedging instrument. As a result of the said hedge accounting, fair value income before tax amounting to TL 137,569 (31 December 2023 - TL 395,810 loss) has been accounted for under equity in the current period. The ineffective portion which is associated with the statement of profit or loss has no balance (31 December 2023 - TL 55 loss).

b) Deposit

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity until 3 months, the Bank implements cash flow hedge accounting with interest rate swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity “Hedging Funds”, whereas the ineffective portions are accounted for at statement of profit or loss and other comprehensive income as defined in TAS 39. As of the balance sheet date, swaps amounting to TL 8,575,000 are subject to hedge accounting as hedging instruments (31 December 2023 - TL 1,405,000). As a result of the mentioned hedge accounting, fair value income before taxes amounting to TL 333,579 are accounted for under equity during the current period (31 December 2023 - TL 24,571 income). There is TL 3 income from ineffective portion is accounted with the statement of profit or loss and other comprehensive income (31 December 2023 - None).

As of the balance sheet date, swaps with a nominal amount of USD 1,884 Million (31 December 2023 - USD 1,771 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 216 Million (31 December 2023 - EUR 136 Million) have been subject to hedge accounting with Euro deposits. As a result of above mentioned hedge accounting, fair value income before taxes amounting to TL 425,597 (31 December 2023 - TL 347,876 loss) are accounted for under equity during the current period. The income amounting to TL 29,693 (31 December 2023 - TL 15,970 income) related to the ineffective portion is associated with the statement of profit or loss and other comprehensive income.

c) Floating Rate Liabilities

The Bank applies cash flow hedge accounting through interest rate swaps in order to protect its subordinated loans with floating rate payments from changes in interest rates. In this context; bank applies effectiveness tests for hedge accounting at each balance sheet date, the effective parts are accounted for in the “Hedging Funds” account item under equity in the financial statements as defined in TAS 39, and the amount related to the ineffective part is associated with the profit or loss statement. As of the balance sheet date, swaps with a nominal amount of USD 186 Million (31 December 2023 - USD 217 Million) are subject to hedge accounting as hedging instruments. As a result of the aforementioned hedge accounting, the fair value loss before tax amounting to TL 46,324 (31 December 2023 - TL 249,573 loss) has been accounted for under equity in the current period. The income amounting to TL 943,920 (31 December 2023 - TL 3,790 income) related to the ineffective portion is associated with the profit or loss statement.

On the other hand, accounting application is terminated when cash flow hedge accounting is not effectively maintained as defined in TAS 39. According to this; The valuation effects classified under equity due to hedge accounting are reflected in the statement of profit or loss and other comprehensive income throughout the life of the item subject to hedge accounting. Due to hedge accounting practices terminated in the current year, a loss amounting to TL 90,902 (31 December 2023 - TL 57,575 loss) was transferred from the “Income/Loss from Derivative Financial Transactions” to the statement of profit or loss and other comprehensive income.

In this context, in the current period, the Bank has transferred loss of TL 117,940 (31 December 2023 - TL 11,672 loss) from equity to the profit or loss statement related to terminated hedge accounting practices.

The measurements as of 31 December 2024, hedge of cash flow transactions stated above are determined as effective.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

6. Credit derivatives and risk exposures on credit derivatives

As of 31 December 2024, the Bank has no commitments “Credit Linked Notes” (As of 31 December 2023 - None).

As of 31 December 2024, the Bank has no commitments as “Other Derivative Financial Assets” (31 December 2023 - USD 40,000,000) which would be included in Bank’s “Credit Default Swap.”

7. Information on contingent liabilities and assets

The Bank has recorded a provision of TL 68,687 (31 December 2023 - TL 74,155) for the lawsuits filed against the Bank with a high probability of occurrence, in accordance with Principle of Prudence. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

8. Information on the services in the name and account of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

9. Information on the Bank’s rating by international rating institutions

MOODY’s July 2024		FITCH September 2024	
Appearance	Positive	Long -Term Issuer Default Rating(FC)	BB- (Stable)
Long-Term Deposit Rating (FC)	Ba3	Short-Term Issuer Default Rating(FC)	B
Long-Term Deposit Rating (TL)	Ba2	Long-Term Issuer Default Rating(TL)	BB- (Stable)
Short-Term Deposit Rating (FC)	NP	Short-Term Issuer Default Rating(TL)	B
Short-Term Deposit Rating (TL)	NP	Long-Term National Appearance	AA(tur) (Stable)
Main Credit Evaluation	B2	Support	b+
Adjusted Main Credit Evaluation	Ba2	Financial Capacity Rating	bb-
Long-Term Foreign Currency Denominated Debt Rating(FC)	Ba3	Long-term priority unsecured debt Subordinated	BB- B+
Subordinated	B1(hyb)		



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term Loans	130,937,551	8,087,777	39,414,394	4,768,549
Medium and Long-Term Loans	60,515,556	11,452,084	29,933,893	8,764,370
Non-Performing Loans	1,930,358	-	788,510	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total^(*)	193,383,465	19,539,861	70,136,797	13,532,919

^(*) Includes fee and commission income related to cash loans.

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank ^(*)	2,791,034	-	156,988	-
Domestic Banks	286,840	-	210,422	196
Foreign Banks	24,764	609,861	3,377	526,443
Foreign Headquarters and Branches	-	-	-	-
Total	3,102,638	609,861	370,787	526,639

^(*) The interest income on Required Reserve amounting TL 19,605,106 is not included into interest income on Banks (31 December 2023 - TL 412,862).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income (Continued)

c) Information on interest income from securities portfolio

	Current Period	
	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	1,446,046	87,463
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	33,538,318	1,685,535
Financial Assets Measured at Amortized Cost	26,852,432	1,937,432
Total	61,836,796	3,710,430

	Prior Period	
	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	367,979	21,758
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	9,348,061	818,286
Financial Assets Measured at Amortized Cost	23,174,698	1,501,968
Total	32,890,738	2,342,012

As stated in Section Three disclosure VII. 2, the Bank has inflation indexed (CPI) government bonds in its Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI) and Financial Assets Measured at Amortized Cost portfolios. As disclosed in ‘Inflation Indexed Bonds Manual’ published by Republic of Türkiye Ministry of Treasury and Finance, reference index used for the actual payments is determined based on the inflation rates of two months before. As of 31 December 2024, an annual rate of 48.58% has been taken into account for the estimated inflation rate used in the valuation of these securities.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income (Continued)

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1,178,310	1,071,991

2. a) Information on interest expense related to funds borrowed^(*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	490,393	12,368,810	80,878	7,556,234
T.R. Central Bank	-	-	-	-
Domestic Banks	248,723	49,330	69,616	41,072
Foreign Banks	241,670	12,319,480	11,262	7,515,162
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	490,393	12,368,810	80,878	7,556,234

^(*) Includes fee and commission expenses related to cash loans.

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	296,144	128,317

c) Information on interest expense paid to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest paid on marketable securities issued	1,460,192	5,560,721	602,821	2,285,287



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income (Continued)

2. d) Information on maturity structure of interest expenses on deposits (Current Period)

Account	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	2,388,162	184,230	-	-	-	-	2,572,392
Saving Deposits	-	27,459,827	50,207,874	34,666,624	18,406,914	3,030,440	-	133,771,679
Public Sector Deposits	-	26,025	35,212	1,448	-	-	-	62,685
Commercial Deposits	-	21,671,403	12,640,868	9,629,210	4,707,253	2,423,207	-	51,071,941
Other Deposits	-	377,108	996,360	695,739	183,253	2,925	-	2,255,385
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	51,922,525	64,064,544	44,993,021	23,297,420	5,456,572	-	189,734,082
Foreign Currency								
Deposits	-	44,082	278,712	24,490	4,212	14,809	-	366,305
Bank Deposits	288	1,131,959	891,176	48,024	48,851	-	-	2,120,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1,388	-	-	-	-	-	1,388
Total	288	1,177,429	1,169,888	72,514	53,063	14,809	-	2,487,991
Grand Total	288	53,099,954	65,234,432	45,065,535	23,350,483	5,471,381	-	192,222,073



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income (Continued)

Information on maturity structure of interest expense on deposits (Prior Period)

Account	Demand Deposits	Time Deposits					Accumulated Deposit Account	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	184,688	-	-	-	-	-	184,688
Saving Deposits	-	9,550,494	10,322,264	27,878,029	2,971,069	727,044	-	51,448,900
Public Sector Deposits	-	3,791	2,203	-	4	-	-	5,998
Commercial Deposits	-	5,810,244	4,930,800	5,124,923	1,732,531	1,228,998	-	18,827,496
Other Deposits	-	74,575	399,088	191,527	24,412	661	-	690,263
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	15,623,792	15,654,355	33,194,479	4,728,016	1,956,703	-	71,157,345
Foreign Currency								
Deposits	-	49,350	331,249	406,852	23,861	48,034	-	859,346
Bank Deposits	1,172	529,553	787,597	96,597	91,847	-	-	1,506,766
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2,489	-	-	-	-	-	2,489
Total	1,172	581,392	1,118,846	503,449	115,708	48,034	-	2,368,601
Grand Total	1,172	16,205,184	16,773,201	33,697,928	4,843,724	2,004,737	-	73,525,946

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	22,367,558	2,653,623	1,362,803	1,206,816

(*) Includes “Interest on Money Market Transactions”

f) Information on lease expenses

	Current Period	Prior Period
Leasing Expenses	311,511	138,951



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement Profit or Loss and Other Comprehensive Income (Continued)

2. g) Information on interest expense on factoring payables

None (31 December 2023 - None).

3. Information on dividend income

	Current Period	Prior Period
Financial Derivative Assets at Fair Value through Profit/Loss (FVTPL)	16,620	10,513
From Financial Assets at Fair Value through Other Comprehensive Income	-	-
Other	1,428	714
Total	18,048	11,227

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	83,062,747	54,776,052
Incomes on Capital Market Transactions	2,748,991	3,586,987
From Derivative Financial Instruments	57,444,372	25,194,991
Foreign Exchange Incomes	22,869,384	25,994,074
Trading Loss (-)	112,950,804	42,760,476
Losses on Capital Market Transactions	1,591,781	1,452,423
From Derivative Financial Instruments	97,223,437	34,535,702
Foreign Exchange Losses	14,135,586	6,772,351
Net Trading Income/Loss	(29,888,057)	12,015,576

5. Information on other operating income

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and expense accrual cancelations in “Other Operating Income” account.

6. Provision for losses and other provision expenses

	Current Period	Prior Period
Expected Credit Loss	17,410,958	11,993,445
12 month expected credit loss (stage 1)	804,533	4,242,190
Significant increase in credit risk (stage 2)	2,173,331	5,272,355
Non-performing loans (stage 3)	14,433,094	2,478,900
Marketable Securities Impairment Expense	11,068	4,292
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	11,068	4,292
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other^(*)	(1,917,781)	2,851,339
Total	15,504,245	14,849,076

^(*)Includes free provision expense for possible risks amounting to TL 2,100,000 allocated in the current period.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income (Continued)

7. Information on other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefit ^(*)	475,964	274,802
Depreciation Expenses of Fixed Assets	1,644,664	807,568
Amortization Expenses of Intangible Assets	837,891	413,561
Other Operating Expenses	9,514,557	5,759,481
<i>Leasing Expenses Related to TFRS 16 Exemptions</i>	12,428	6,364
<i>Maintenance Expenses</i>	1,544,758	1,063,281
<i>Advertisement Expenses</i>	1,119,794	565,268
<i>Other Expenses</i>	6,837,577	4,124,568
Loss on Sales of Assets	18,272	84
Other	6,160,107	2,663,856
Total	18,651,455	9,919,352

^(*) Includes in the Personnel Expenses item in the financial statement.

8. Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

	Current Period ^(*) ^(**)	Prior Period ^(*) ^(**)
Independent audit fee for reporting period	28,868	12,663
Fees for tax advisory services	-	-
Fee for other assurance services	11,273	6,055
Fees for services other than independent auditing	-	-
Total	40,141	18,718

^(*) Consolidated amount reported.

^(**) VAT excluded.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income (Continued)

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

For the period ended 31 December 2024 net interest income in income items amounting to TL 66,797,021 (31 December 2023 - TL 34,548,857), net fees and commission income amounting to TL 49,642,031 (31 December 2023 - TL 18,317,334) and other operating income amounting to TL 1,043,409 (31 December 2023 - TL 2,376,629) constitute an important part of the income.

10. Explanations on tax provision for continued and discontinued operations

10.1. Current period taxation benefit or charge and deferred tax benefit or charge

As of 31 December 2024, the Bank has recorded tax charge TL 6,572,107 (31 December 2023 - TL 9,367,050) and a deferred tax loss of TL 4,570,951 (31 December 2023 - TL 3,301,966) and a deferred tax income of TL 3,004,514 (31 December 2023 - TL 8,108,818) from its continuing operations.

10.2. Explanations on operating profit/loss after taxes

None (31 December 2023 - None).

11. Explanations on net profit/(loss) from continued and discontinued operations

Net profit of the Bank from continued operations is TL 36,174,341 (31 December 2023 - TL 33,172,442).

12. Explanations on net income/loss for the period

12.1. If disclosure of the nature, amount and recurrence rate of income and expense items arising from ordinary banking transactions is necessary for an understanding of the Bank's performance during the period, the nature and amount of these items

None (31 December 2023 - None).

12.2. The effect of the change in the estimates made by the Bank regarding the financial statement items on profit/loss

None (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

IV. Explanations and Disclosures Related to the Statement of Profit or Loss and Other Comprehensive Income (Continued)

12.3. Profit/loss attributable to minority rights in the accompanying unconsolidated financial statements.

None (31 December 2023 - None).

12.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

13. Information on the components of other items in the statement of profit or loss and other comprehensive income exceeding 10% of the total, or items that comprise at least 20% of the statement of profit or loss and other comprehensive income

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded in the “Others” line under “Fees and Commissions Received” account, while fees and commissions given to credit cards are recorded in the “Others” line under “Fees and Commissions Paid” account by the Bank.

V. Explanations and Disclosures Related to Statement of Changes In Shareholder’s Equity

1. Changes resulting from valuation of financial assets measured at fair value through other comprehensive income

Net decrease of TL 2,737,525 (31 December 2023 - TL 3,345,573 net decrease) after tax effect resulting from valuation of at financial assets measured at fair value through other comprehensive income is included in “accumulated other comprehensive income or loss reclassified through profit or loss” account under shareholders’ equity.

2. Explanations on foreign exchange differences

None.

3. Explanations on dividend

3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no dividend notified before the promulgation of financial statements. It was decided to distribute the year 2023 profit as stated below at the Ordinary General Assembly held on 28 March 2024.

2023 profit distribution table	
Current Year Profit	33,172,442
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	-
B - The First Dividend for Shareholders	-
C - Profit from Disposal of Associates	-
D - II. Legal Reserves	-
E - Profit from Disposal of Associates Fund	-
F - Property Sales Income Fund (CTL 5.1/E)	279
G - Extraordinary Reserves	33,172,163

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date.

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserve from Retained Earnings	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

V. Explanations And Disclosures Related To Statement Of Changes In Shareholder’s Equity (Continued)

4. Information on issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (31 December 2023 - None).

5. Information on the other capital increase items in the statement of changes in shareholders’ equity

There was no capital increase in 2024 (31 December 2023 - None).

VI. Explanations And Disclosures Related Statement of Cash Flows

“Other items” amounting to TL 22,349,231 (31 December 2023 - TL 53,804,007) in “Operating profit before changes in operating assets and liabilities” consist of fees and commissions paid amounting to TL 12,046,204 (31 December 2023 - TL 5,180,275), net trading income amounting to TL 3,557,602 (31 December 2023 - TL 62,302,817 net trading income) and other operating expenses amounting to TL 13,860,629 (31 December 2023 - TL 3,318,534).

The “Other” item in the “change in other assets subject to banking activity” amounting to TL 20,617,081 (31 December 2023 - TL 8,045,574) includes collaterals amounting to TL 74,268 (31 December 2023 - TL 511,687) and other assets amounting to TL 20,542,813 (31 December 2023 - TL 7,533,887).

“Other” item in the “Change in other liabilities of the field of banking” amounting to TL 157,841,315 (31 December 2023 - TL 16,348,171) includes debts to money markets amounting to TL 119,864,845 (31 December 2023 - TL 6,522,980), other liabilities amounting to TL 41,132,881 (31 December 2023 - TL 13,731,903) and other capital reserves amounting to TL 3,156,411 (31 December 2023 - TL 3,906,711).

The effect of change in foreign exchange rate on cash and cash equivalents is the sum of the foreign exchange differences arising from the conversion of the average balances of cash and cash equivalents in foreign currency to TL at the beginning of the period and at the end of the period. As of 31 December 2024, TL 736,772 (31 December 2023 - TL 2,214,140).

1. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Prior Period 31 December 2023
Cash	12,933,483
Cash in TL	2,150,944
Cash in Foreign Currencies	9,412,639
Other	1,369,900
Cash Equivalents	105,446,282
Balances with the T.R. Central Bank	83,652,347
Banks	16,185,399
Money Market Placements	5,736,581
Less: Accruals	(128,045)
Cash and Cash Equivalents	118,379,765



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

VI. Explanations And Disclosures Related To Statement of Cash Flows (Continued)

2. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period 31 December 2024
Cash	14,290,446
Cash in TL	2,960,303
Cash in Foreign Currencies	10,282,554
Other	1,047,589
Cash Equivalents	143,389,592
Balances with the T.R. Central Bank	139,012,448
Banks	14,632,495
Money Market Placements	150,531
Less: Accruals	(10,405,882)
Cash and Cash Equivalents	157,680,038

3. Restricted cash and cash equivalents due to legal requirements or other reasons

A portion of foreign bank accounts amounting to TL 693,373 (31 December 2023 - TL 628,304) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

4. Additional information

4.1. Restrictions on the Bank’s potential borrowings that can be used for ordinary operations or capital commitment

None (31 December 2023 - None).

4.2. The sum of cash flows that show the increases in banking activity capacity, apart from the cash flows needed to maintain current banking activity capacity

None (31 December 2023 - None).

VII. Explanations and Disclosures Related to the Bank’s Risk Group

1. Information on the volume of transactions with the Bank’s risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1. As of 31 December 2024, the Bank’s risk group has deposits amounting to TL 5,705,035 (31 December 2023 - TL 10,144,705), cash loans amounting to TL 12,704,270 (31 December 2023 - TL 4,953,937) and non-cash loans amounting to TL 2,883,932 (31 December 2023 - TL 2,790,533).

Current Period

Bank’s Risk Group ^(*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group ^(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	4,948,468	385,274	-	2,316,570	5,469	88,689
Balance at the End of the Period	12,702,629	478,452	-	2,270,807	1,641	134,673
Interest and Commission Income	1,178,310	2,874	-	2,402	61,414	89



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

VII. Explanations and Disclosures Related to the Bank’s Risk Group (Continued)

1. Information on the volume of transactions with the Bank’s risk group, lending and deposits outstanding at period end and income and expenses in the current period (Continued)

Prior Period

Bank’s Risk Group ^(*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group ^(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	5,341,116	35,489	-	116,854	4,102	1,349
Balance at the End of the Period	4,948,468	385,274	-	2,316,570	5,469	88,689
Interest and Commission Income	1,071,991	43,627	-	2,242	3,800	-

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the loans given to the Bank’s indirect subsidiaries.

1.2. Information on deposits held by the Bank’s risk group

Bank’s Risk Group ^(*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group ^(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at the Beginning of the Period	1,322,572	1,520,911	-	-	8,822,133	572,625
Balance at the End of the Period	2,575,279	1,322,572	-	-	3,129,756	8,822,133
Interest on deposits	296,144	128,317	-	-	876,043	232,930

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the loans given to the Bank’s indirect subsidiaries.

1.3. Information on forward and option agreements and similar agreements made with the Bank’s risk group

Bank’s Risk Group ^(*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group ^(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	2,088,948	747,471	-	-	-	-
End of the Period	3,388,101	2,088,948	-	-	-	-
Total Income/Loss ^(***)	(19,722)	(92,433)	-	-	-	48
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the loans given to the Bank’s indirect subsidiaries.

1.4. Information on benefits provided to top management

As of 31 December 2024, the total amount of remuneration and bonuses paid to top management of the Bank is TL 678,963 (31 December 2023 - TL 434,580).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

VII. Explanations and Disclosures Related to the Bank’s Risk Group (Continued)

2. Disclosures of transactions with the Bank’s risk group

2.1. Relations with entities in the risk group of/or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of 31 December 2024, cash loans of the risk group represented 1.4% of the Bank’s total cash loans (31 December 2023 - 0.8%), the deposits represented 0.6% of the Bank’s total deposits (31 December 2023 - 1.6%) and derivative transactions represented 0.3% of the Bank’s total derivative transactions (31 December 2023 - 0.2%).

2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Bank enters into finance lease agreements with QNB Finansal Kiralama A.Ş. As of 31 December 2024, the Bank has net finance lease payables to QNB Finansal Kiralama A.Ş. amounting to TL 332 (31 December 2023 - TL 4,305) relating with finance lease agreements.

The Bank has signed an agreement with Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.33% shareholding, provides cash transfer services to the Bank.

Information about the Bank’s subordinated loans is explained under Section 5, Part II. footnote 12.

The Bank provides insurance services to QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. and agency services to QNB Yatırım Menkul Değerler A.Ş. for the purchase/sale of securities.

VIII. Explanations on the Bank’s Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives

1. Information relating to the Bank’s domestic and foreign branch and representatives

	Number	Employees			
Domestic Branch	426	11,941			
			Country		
Foreign Representation	-	-	-		
				Total Assets	Capital
Foreign Branch	1	8	1- Bahrain	160,189,785	-
Off-shore Banking and Region Branches	-	-	-	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations Related to the Bank’s Operations

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

The issuances of the Bank after the balance sheet date are as follows.

Issue Date	Currency	Nominal Amount (Full TL)	Days to Maturity
03.01.2025	USD	22,000,000	187
07.01.2025	USD	21,000,000	367
08.01.2025	GBP	17,200,000	390
08.01.2025	USD	50,000,000	182
10.01.2025	USD	20,000,000	367
13.01.2025	EUR	20,000,000	185
13.01.2025	EUR	50,000,000	942
15.01.2025	USD	30,000,000	563
22.01.2025	USD	25,000,000	558
22.01.2025	USD	20,000,000	558
23.01.2025	USD	10,000,000	368
24.01.2025	EUR	20,000,000	973
28.01.2025	USD	14,000,000	370
29.01.2025	USD	25,000,000	371
29.01.2025	USD	10,000,000	369
29.01.2025	USD	20,000,000	369
29.01.2025	USD	22,000,000	369
29.01.2025	EUR	20,000,000	369

2. Information on the effects of significant changes in foreign exchange rates after balance sheet date on the items denominated in foreign currency and financial statements and the Bank’s operations abroad that would affect decision making process of users and foreign operations of the Bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

In order to transfer of “http://enpara.com” banking services to Enpara Bank A.Ş through spin-off; The Board of Directors of the Bank has decided on 13 January 2025 to authorize the Bank’s Head Office to make relevant applications and correspondence with the Banking Regulation and Supervision Agency (BRSA) as per the “Banking Law” numbered 5411 and “Regulation on Merge, Acquisition, Division and Share Changes of Banks” published on the Official Gazette dated 1 November 2006 and other relevant authorities and to execute all necessary transactions in this regard.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Unconsolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements for the period ended 31 December 2024 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor's report dated 30 January 2025 is presented preceding the unconsolidated financial statements.

II. Explanations and Notes Prepared by Independent Auditors

None (31 December 2023 - None).



Financial Reports

QNB BANK ANONİM ŞİRKETİ
(FORMERLY KNOWN AS “QNB FİNANSBANK ANONİM ŞİRKETİ”)

Independent Auditor’s Report, Consolidated
Financial Statements and Notes for the Year
Ended 31 December 2024







**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of QNB Bank Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of QNB Bank Anonim Şirketi (formerly known as QNB Finansbank Anonim Şirketi) ("the Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the statement of consolidated balance sheet as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the Basis for Qualified Opinion paragraph below, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.



2. Basis for Qualified Opinion

As explained in Section Five Part II 9.5. of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2024 include a free provision amounting to TL 4,700,000 thousand, which consists of TL 6,800,000 thousand provided in prior years and TL 2,100,000 thousand reversed in the current period by the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 4,700,000 thousand, net profit and equity would have decreased by TL 2,100,000 thousand and increased by TL 4,700,000 thousand, respectively as at 31 December 2024.

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.



Key Audit Matters	How the key audit matter was addressed in the audit
<p data-bbox="129 645 751 701">Impairment of loans and receivables determined within the framework of TFRS 9</p> <p data-bbox="129 730 751 1066">The Group has total expected credit losses for loans and receivables amounting to TL 41.589.630 thousand in respect to total loans and receivables amounting to TL 952.790.082 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2024. Explanations and notes regarding the provision for impairment of loans are represented in Notes VIII of Section Three, II.1. of Section Four, II.4. of Section Four and 1.6. of Section Five of the accompanying consolidated financial statements as at 31 December 2024.</p> <p data-bbox="129 1099 751 1659">The Group recognizes provisions for impairment in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans. Impairment allowances are calculated on a collective basis for portfolios of loans of a similar nature and on individual basis for significant loans taking into account Management's best estimate at the balance sheet date and historical losses incurred.</p>	<p data-bbox="799 645 1422 842">With respect to stage classification of loans and receivables calculation of expected credit losses in accordance with TFRS 9, we have assessed policy, procedure and management principles of the Group within the scope of our audit. We tested the design and the operating effectiveness of relevant controls implemented in accordance with these principles.</p> <p data-bbox="799 875 1422 1357">We checked appropriateness of matters considered in methodology applied by the Group with respect to TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions by the Group's management in its expected credit losses calculations, we held discussions with management, evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, exposure at default model, loss given default model, and approaches in relation to projection of macroeconomic expectations with our financial risk experts. We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors). Our procedures also included the following:</p> <ul data-bbox="823 1379 1422 1491" style="list-style-type: none">• Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used.



<i>Key Audit Matters</i>	<i>How the key audit matter was addressed in the audit</i>
<p>Impairment of loans and receivables determined within the framework of TFRS 9 (Continued)</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the appropriateness of classification of loans as per their credit risk (staging) in accordance with applicable regulation and the importance of determination of the associated impairment allowances. Timely and correctly identification of loss event and the level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p>	<ul style="list-style-type: none"> • For a sample of exposures, we checked the accuracy of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations. • We checked the calculation of the Loss Given Default (LGD) used by the Group in the expected credit losses calculations, and tested collaterals, recovery and costs in addition to arithmetical calculations. • For a selected sample, we checked expected credit losses determined based on individual assessment per Group's policy by means of supporting data, and evaluated appropriateness via communications with management. • We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. • We checked accuracy of expected credit losses calculations. • To assess appropriateness of the Group's determination of staging for credit risk, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. • We have reviewed disclosures made within the TFRS 9 framework in the consolidated financial statements of the Group with respect to loans and receivables related impairment provisions.



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

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

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

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Bank’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Bank’s articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2024. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM
Independent Auditor

Istanbul, 30 January 2025



**THE CONSOLIDATED FINANCIAL REPORT OF QNB BANK A.Ş.
(FORMERLY KNOWN AS “QNB FİNANSBANK A.Ş.”)
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Parent Bank's;

Address of the Head Office : Esentepe Mahallesi Büyükdere Caddesi Kristal Kule Binası No:215 Şişli - İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 56 48
Web page : www.qnb.com.tr
E-mail address : investor.relations@qnb.com.tr

The consolidated financial report for the year ended 31 December 2024, designed by the Banking Regulation and Supervision Agency in line with the Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

Within the context of this financial report, the consolidated subsidiaries and structured entities are as follows. There are no associates included in the consolidation.

Subsidiaries

1. QNB Finansal Kiralama Anonim Şirketi
2. QNB Yatırım Menkul Değerler Anonim Şirketi
3. QNB Portföy Yönetimi Anonim Şirketi
4. QNB Faktoring Anonim Şirketi
5. QNB Varlık Kiralama Anonim Şirketi
6. QNB Sağlık Hayat Sigorta ve Emeklilik Anonim Şirketi
7. QNBeyond Ventures B.V.

Structured Entities

1. Bosphorus Financial Services Limited
2. Finance Capital Finance Limited

The audited accompanying consolidated financial statements and related disclosures and footnotes for the year ended 31 December 2024, 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. Unless otherwise stated, the accompanying consolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

Mehmet Ömer Arif Aras
Chairman of
the Board of Directors

Saleh Nofal
Member of the Board of
Directors and Chairman of the
Audit Committee

Ramzi T.A. Mari
Member of the Board of
Directors and of the
Audit Committee

Noor Mohd J. A. Al-Naimi
Member of the Board of
Directors and of the
Audit Committee

Durmuş Ali Kuzu
Member of the Board of
Directors and of the
Audit Committee

Osman Ömür Tan
General Manager
and Member of the
Board of Directors

Adnan Menderes Yayla
Executive Vice President
Financial Control and Planning,
Investor Relations

Ercan Sakarya
Managing Director
Financial Control and Planning

Information related to the responsible personnel to whom the questions about the financial statements can be communicated:

Name - Surname/Title : Mehmet Demirci / Financial Reporting Manager
Phone Number : (0 212) 319 69 22
Facsimile Number : (0 212) 318 55 78



INDEX

	Page No
SECTION ONE	
General Information About the Parent Bank	
I. Explanatory Note on the Establishment Date, Nature of Activities and History of the Parent Bank	454
II. Information About the Parent Bank's Shareholding Structure, Shareholders Who Individually or Jointly Have the Power to Control the Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the Year, If Any, and Information About the Controlling Group of the Parent Bank	454-455
III. Information About the Chairman and Members of Board of Directors, Members of Audit Committee, Managing Director and Executive Vice Presidents; Any Changes, and the Information About the Parent Bank Shares They Hold and Their Responsibilities	456
IV. Information About the Persons and Institutions That Have Qualified Shares on the Parent Bank	456
V. Explanations on the Parent Bank's Services and Activities	456
VI. Current or Likely Actual or Legal Barriers to Immediate Transfer of Shareholders' Equity or Repayment of Debts Between the Parent Bank and Its Subsidiaries	456
SECTION TWO	
Consolidated Financial Statements	
I. Consolidated Balance Sheet (Consolidated Statement of Financial Position)	458-459
II. Consolidated Statement of Off-Balance Sheet Commitments and Contingencies	460-461
III. Consolidated Statement of Profit or Loss	462-463
IV. Consolidated Statement of Profit or Loss and Other Comprehensive Income	464
V. Consolidated Statement of Changes in Shareholders' Equity	465
VI. Consolidated Statement of Cash Flows	466
VII. Consolidated Statement of Profit Appropriation	467
SECTION THREE	
Accounting Policies	
I. Basis of Presentation	468-470
II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions	471-473
III. Information on Associates, Subsidiaries and Entities Under Common Control	473-474
IV. Explanations on Futures and Options Contracts and Derivative Products	474-477
V. Explanations on Interest Income and Expenses	477
VI. Explanations on Fees and Commission Income and Expenses	478
VII. Explanations and Disclosures on Financial Instruments	478-480
VIII. Explanations on Expected Credit Losses	481-484
IX. Explanations on Netting of Financial Instruments	484
X. Derecognition of Financial Instruments	484-486
XI. Explanations on Sales and Repurchase Agreements and Lending of Securities	486
XII. Explanations on Assets Held for Sale and Discontinued Operations	486
XIII. Explanations on Goodwill and Other Intangible Assets	487
XIV. Explanations on Tangible Assets	487
XV. Explanations on Leasing Transactions	488-489
XVI. Explanations on Factoring Receivables	489
XVII. Explanations on Provisions and Contingent Liabilities	489
XVIII. Explanations on Obligations of the Group for Employee Benefits	490
XIX. Explanations on Insurance Technical Provisions	491
XX. Explanations on Taxation	491-495
XXI. Explanations on Borrowings	495
XXII. Explanations on Share Issues	495
XXIII. Explanations on Confirmed Bills of Exchange and Acceptances	495
XXIV. Explanations on Government Incentives	495
XXV. Explanations on Segment Reporting	496-497
XXVI. Profit Reserves and Profit Distribution	498
XXVII. Earnings per Share	498
XXVIII. Explanations on Other Matters	498
SECTION FOUR	
Information Related to Financial Position and Risk Management of the Group	
I. Explanations on Consolidated Equity	499-506
II. Explanations on Consolidated Risk Management	506-546
III. Explanations on Consolidated Foreign Exchange Risk	546-549
IV. Explanations on Consolidated Interest Rate Risk	549-553
V. Explanations on Consolidated Position Risk of Equity Securities in Banking Book	553
VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio	554-562
VII. Explanations on Consolidated Leverage Ratio	563-564
VIII. Explanations Related to Presentation of Consolidated Financial Assets and Liabilities at Their Fair Value	565-566
IX. Information on the Services in the Name and Account of Third Parties	566

**SECTION FIVE****Explanations and Disclosures on Consolidated Financial Statements**

I.	Explanations and Disclosures Related to Consolidated Assets	567-585
II.	Explanations and Disclosures Related to Consolidated Liabilities	585-593
III.	Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items	594-600
IV.	Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income	600-607
V.	Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity	608
VI.	Explanations and Disclosures Related to Consolidated Statement of Cash Flows	609-610
VII.	Explanations and Disclosures Related to the Parent Bank's Risk Group	610-612
VIII.	Explanations on the Parent Bank's Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives of the Group	612

SECTION SIX**Other Explanations**

I.	Other Explanations Related to the Parent Bank's Operations	613
----	--	-----

SECTION SEVEN**Independent Auditor's Report**

I.	Independent Auditor's Report	614
II.	Explanations and Notes Prepared by Independent Auditor	614



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. Explanatory Note on the Establishment Date, Nature of Activities and History of the Parent Bank

It was established in Istanbul on 26 October 1987 under the title of QNB Bank Anonim Şirketi (formerly known as “QNB Finansbank Anonim Şirketi”) (“Parent Bank” or “Bank”) in accordance with the provisions of the Banking Law and the Turkish Commercial Code published in the Turkish Trade Registry Gazette No. 1857 dated 25 September 1987. The Bank’s shares have been listed on the Borsa Istanbul (“BIST”) since 1990

II. Information About the Parent Bank’s Shareholding Structure, Shareholders Who Individually or Jointly Have the Power to Control the Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the Year, If Any, and Information About the Controlling Group of the Parent Bank

As of 21 December 2015, a share sales agreement has been concluded between National Bank of Greece S.A. (NBG), principal shareholder of the Parent Bank in previous periods, and Qatar National Bank Q.P.S.C. (“QNB”) regarding the direct or indirect sales of NBG’s shares, owned by affiliates and current associations of the Parent Bank, at the rate of 99.81% to QNB at a price of EUR 2,750 million. On 7 April 2016, BRSA permitted to transfer shares at ratios of 82.23%, 7.90%, 9.68% owned by National Bank of Greece S.A., NBGI Holdings B.V. and NBG Finance (Dollar) PLC respectively in the capital of the Parent Bank to Qatar National Bank S.A.Q. in the framework of paragraph 1 of article 18 of Banking Law and dropping direct share of National Bank of Greece S.A. to 0% through the aforementioned share transfer. Necessary permissions related to share transfer have been completed on 4 May 2016 before the Competition Authority while permission transactions regarding direct/indirect share ownership which shall realize in related affiliates of the Parent Bank (QNB Finans Yatırım Menkul Değerler A.Ş., QNB Finans Portföy Yönetimi A.Ş., QNB Finans Finansal Kiralama A.Ş. and Cigna Sağlık, Hayat ve Emeklilik A.Ş.) before the related official bodies on 12 May 2016 and share transfer of the Parent Bank has been completed on 15 June 2016.

The Parent Bank has decided to change the logo and the name of the company within the scope of the main shareholder change and brand strategies the new logo and the company name of the Parent Bank has started to be used as “QNB FİNANSBANK” as of 20 October 2016 and the company name started to be used with the registration of the Genel Assembly Resolution dated 24 November 2016 on 30 November 2016. According to the decision dated 17 January 2018 which was taken by the General Assembly; The Parent Bank’s trade name is changed from “FİNANS BANK A.Ş.” to “QNB FİNANSBANK A.Ş.” as of 19 January 2018. On 11 October 2024 with the registration of the Parent Bank’s Extraordinary General Assembly resolutions dated 1 October 2024, the company name “QNB Finansbank” started to be used as “QNB” and the trade name “QNB Finansbank A.Ş.” started to be used as “QNB Bank A.Ş.”

With the amendment of the articles of association of Cigna Sağlık Hayat ve Emeklilik A.Ş. (Cigna Finans Emeklilik) with the Extraordinary General Assembly dated 30 May 2023, the brand name was changed as QNB Sigorta and the trade name as QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. (QNB Sigorta).

With the amendment of the articles of association of QNB Finans Portföy Yönetimi Anonim Şirketi at the Extraordinary General Assembly dated 17 September 2024, the trade name was changed to QNB Portföy Yönetimi Anonim Şirketi.

With the amendment of the articles of association of QNB Finans Yatırım Menkul Değerler Anonim Şirketi at the Extraordinary General Assembly dated 24 September 2024, the trade name was changed to QNB Yatırım Menkul Değerler Anonim Şirketi.

With the amendment of the articles of association of QNB Finans Varlık Kiralama Anonim Şirketi at the Extraordinary General Assembly dated 24 September 2024, the trade name was changed to QNB Varlık Kiralama Anonim Şirketi.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)

II. Information About the Parent Bank’s Shareholding Structure, Shareholders Who Individually or Jointly Have the Power to Control the Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the Year, If Any, and Information About the Controlling Group of the Parent Bank (Continued)

With the amendment of the articles of association of QNB Finans Faktoring Anonim Şirketi at the Extraordinary General Assembly dated 25 September 2024, the trade name was changed to QNB Faktoring Anonim Şirketi.

With the amendment of the articles of association of QNB Finans Finansal Kiralama Anonim Şirketi at the Extraordinary General Assembly dated 21 October 2024, the trade name was changed to QNB Finansal Kiralama Anonim Şirketi.

99.88% of shares of Parent Bank are controlled by Qatar National Bank as of 31 December 2024 and remaining 0.12% of related shares are public shares.

50% of QNB shares, which is the first commercial bank of Qatar founded in 1964 and has been traded at Qatar Stock Exchange since 1997, are owned by Qatar Investment Authority while 50% of related shares are public shares. QNB is operating over 28 countries mainly in Middle East and North Africa Regions as well as being the biggest bank of Qatar. Also with respect to total assets, total credits and total deposits QNB is the biggest bank of Middle East and North Africa.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)

III. Information about the Chairman and Members of Board of Directors, Members of Audit Committee, Managing Director and Executive Vice Presidents; Any Changes, and the Information about the Parent Bank Shares They Hold and Their Responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman	16 April 2010	PhD
Yousef Mahmoud H. N. Al-Neama	Deputy Chairman and Executive Member	28 May 2019	Masters
Saleh Nofal	Board Member and Chairman of the Audit Committee	30 March 2023	Graduate
Ramzi T. A. Mari	Board Member and Audit Committee Member	16 June 2016	Masters
Dr. Fatma Abdulla S.S. Al-Suwaidi	Board Member	16 June 2016	PhD
Dr. Durmuş Ali Kuzu	Board Member and Audit Committee Member	25 August 2016	PhD
Osman Ömür Tan	Board Member and General Manager	1 January 2022	Masters
Temel Güzeloğlu	Board Member	16 April 2010	Masters
Yeşim Güra	Board Member	30 March 2023	Masters
Adel Ali M. A. Al-Malki	Board Member	28 May 2019	Graduate
Noor Mohd J. A. Al-Naimi	Board Member and Audit Committee Member	22 June 2017	Masters
Adnan Menderes Yayla	Executive Vice President	20 May 2008	Masters
Köksal Çoban	Executive Vice President	19 August 2008	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	8 October 2010	PhD
Enis Kurtoğlu	Executive Vice President	14 May 2015	Masters
Murat Koraş	Executive Vice President	14 May 2015	Masters
Engin Turhan	Executive Vice President	14 June 2016	Masters
Cumhur Türkmen	Executive Vice President	11 June 2018	Masters
Cenk Akıncılar	Executive Vice President	21 January 2019	Graduate
Burçin Dünder Tüzün	Executive Vice President	1 December 2019	Masters
Zeynep Kulalar	Executive Vice President	1 December 2019	Graduate
Derya Düner	Executive Vice President	1 January 2020	Graduate
Ali Yılmaz	Executive Vice President	1 January 2020	Masters
İsmail Işık	Executive Vice President	18 January 2023	Masters
Sercan Kıyas	Head of the Department of Internal Control and Compliance	1 January 2024	Masters
Ersin Emir	Head of Internal Audit	18 February 2011	Masters
Zeynep Aydın Demirkıran	Head of Risk Management	16 September 2011	Masters

The shares of the persons mentioned above in the Parent Bank are insignificant.

IV. Information About the Persons and Institutions That Have Qualified Shares in the Parent Bank

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
Qatar National Bank Q.P.S.C. (“QNB”)	3,345,892	99.88%	3,345,892	-

V. Explanations on the Parent Bank’s Services and Activities

The Parent Bank’s activities include trade finance and corporate banking, private and retail banking, SME banking, currency, money markets, securities operations and credit card operations. In addition, the Parent Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of 31 December 2024, the Parent Bank operates through 425 domestics (31 December 2023 - 434), 1 foreign (31 December 2023 - 1) and 1 Atatürk Airport Free Trade Zone (31 December 2023 - 1) branches. As of 31 December 2024, the Group has 14,541 (31 December 2023 - 14,247) employees.

VI. Current or Likely Actual or Legal Barriers to Immediate Transfer of Shareholders’ Equity or Repayment of Debts Between the Parent Bank and Its Subsidiaries

None.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Balance Sheet (Statement of Financial Position) for the Year Ended 31 December 2024

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

I. CONSOLIDATED BALANCE SHEET - ASSETS

I.	FINANCIAL ASSETS (NET)	Section 5 Part I	Current Period 31.12.2024			Prior Period 31.12.2023		
			TL	FC	TOTAL	TL	FC	TOTAL
			281,794,039	161,433,428	443,227,467	126,260,193	147,835,098	274,095,291
1.1.	Cash and Cash Equivalents		149,349,721	124,999,896	274,349,617	66,393,776	119,704,210	186,097,986
1.1.1.	Cash and Balances with The Central Bank	(1)	143,519,916	109,580,869	253,100,785	59,793,397	102,786,314	162,579,711
1.1.2.	Banks	(3)	5,244,686	15,438,679	20,683,365	871,084	16,941,768	17,812,852
1.1.3.	Money Market Placements	(4)	601,134	-	601,134	5,736,581	-	5,736,581
1.1.4.	Expected Credit Losses (-)		16,015	19,652	35,667	7,286	23,872	31,158
1.2.	Financial Assets Measured at Fair Value through Profit/Loss	(2)	12,128,450	2,882,927	15,011,377	3,496,344	2,209,581	5,705,925
1.2.1.	Government Debt Securities		9,039,624	1,564,852	10,604,476	602,903	488,760	1,091,663
1.2.2.	Equity Securities		1,252,208	428,232	1,680,440	882,879	236,058	1,118,937
1.2.3.	Other Financial Assets		1,836,618	889,843	2,726,461	2,010,562	1,484,763	3,495,325
1.3.	Financial Assets Measured at Fair Value through Other Comprehensive Income	(5)	116,118,623	26,716,472	142,835,095	49,607,968	19,702,462	69,310,430
1.3.1.	Government Debt Securities		116,092,058	26,376,159	142,468,217	49,606,449	19,702,462	69,308,911
1.3.2.	Equity Securities		1,518	17,104	18,622	1,519	-	1,519
1.3.3.	Other Financial Assets		25,047	323,209	348,256	-	-	-
1.4.	Derivative Financial Assets	(12)	4,197,245	6,834,133	11,031,378	6,762,105	6,218,845	12,980,950
1.4.1.	Derivative Financial Assets at Fair Value Through Profit/Loss		3,284,813	4,372,699	7,657,512	5,635,561	3,252,643	8,888,204
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		912,432	2,461,434	3,373,866	1,126,544	2,966,202	4,092,746
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		717,067,048	323,409,240	1,040,476,288	485,195,255	219,696,665	704,891,920
2.1.	Loans	(6)	627,543,725	270,752,339	898,296,064	411,239,230	181,860,454	593,099,684
2.2.	Lease Receivables	(11)	8,472,440	18,903,277	27,375,717	7,306,863	14,686,814	21,993,677
2.3.	Factoring Receivables	(7)	22,947,170	4,171,131	27,118,301	14,641,315	854,031	15,495,346
2.4.	Other Financial Assets Measured at Amortized Cost	(8)	92,822,031	36,471,527	129,293,558	72,383,513	29,788,256	102,171,769
2.4.1.	Government Debt Securities		92,822,031	36,326,963	129,148,994	72,383,513	29,669,309	102,052,822
2.4.2.	Other Financial Assets		-	144,564	144,564	-	118,947	118,947
2.5.	Expected Credit Losses (-)		34,718,318	6,889,034	41,607,352	20,375,666	7,492,890	27,868,556
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (NET)	(15)	-	-	-	-	-	-
3.1.	Held for sale purpose		-	-	-	-	-	-
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS		566,487	-	566,487	187,930	-	187,930
4.1.	Investment in Associates (Net)	(9)	57,641	-	57,641	57,084	-	57,084
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		57,641	-	57,641	57,084	-	57,084
4.2.	Investment in Subsidiaries (Net)		506,046	-	506,046	128,046	-	128,046
4.2.1.	Unconsolidated Financial Investments		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Investments		506,046	-	506,046	128,046	-	128,046
4.3.	Joint Ventures (Net)	(10)	2,800	-	2,800	2,800	-	2,800
4.3.1.	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2.	Unconsolidated Joint Ventures		2,800	-	2,800	2,800	-	2,800
V.	PROPERTY AND EQUIPMENT (NET)		21,488,183	609	21,488,792	14,610,114	487	14,610,601
VI.	INTANGIBLE ASSETS (NET)		6,489,778	-	6,489,778	4,023,849	-	4,023,849
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Others		6,489,778	-	6,489,778	4,023,849	-	4,023,849
VII.	INVESTMENT PROPERTY (NET)	(13)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	(14)	5,492,011	-	5,492,011	6,789,895	-	6,789,895
X.	OTHER ASSETS (NET)	(16)	33,121,695	4,230,009	37,351,704	16,617,993	2,204,700	18,822,693
	TOTAL ASSETS		1,066,019,241	489,073,286	1,555,092,527	653,685,229	369,736,950	1,023,422,179

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Balance Sheet (Statement of Financial Position) for the Year Ended 31 December 2024

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

I. CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY

	Section 5 Part II	Current Period 31.12.2024			Prior Period 31.12.2023		
		TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	604,971,435	273,463,290	878,434,725	387,358,035	243,369,501	630,727,536
II. FUNDS BORROWED	(3)	13,491,062	172,903,637	186,394,699	9,413,677	118,451,486	127,865,163
III. MONEY MARKETS BORROWINGS	(4)	101,297,673	48,467,653	149,765,326	3,361,983	27,736,364	31,098,347
IV. SECURITIES ISSUED (NET)	(5)	8,167,480	64,445,776	72,613,256	9,902,636	42,134,323	52,036,959
4.1. Bills		6,459,663	18,425,962	24,885,625	9,045,755	13,001,776	22,047,531
4.2. Asset Backed Securities		1,707,817	-	1,707,817	856,881	-	856,881
4.3. Bonds		-	46,019,814	46,019,814	-	29,132,547	29,132,547
V. FUNDS		-	-	-	-	-	-
5.1. Borrowers' Funds		-	-	-	-	-	-
5.2. Others		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT & LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		6,604,530	4,729,488	11,334,018	1,436,361	3,559,368	4,995,729
7.1. Derivative Financial Liabilities at Fair Value Through Profit & Loss (Net)	(2)	4,611,548	3,671,515	8,283,063	1,331,159	3,176,022	4,507,181
7.2. Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(8)	1,992,982	1,057,973	3,050,955	105,202	383,346	488,548
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (NET)	(7)	1,736,455	131	1,736,586	1,172,058	1,213	1,173,271
X. PROVISIONS	(9)	14,528,719	2,754,014	17,282,733	13,995,703	1,354,985	15,350,688
10.1. Restructuring Provisions		-	-	-	-	-	-
10.2. Reserve for Employee Benefits		4,215,161	38,387	4,253,548	3,080,549	31,702	3,112,251
10.3. Insurance Technical Provisions (Net)		3,273,050	2,616,807	5,889,857	1,925,795	1,166,900	3,092,695
10.4. Other Provisions		7,040,508	98,820	7,139,328	8,989,359	156,383	9,145,742
XI. CURRENT TAX LIABILITY	(10)	3,915,992	-	3,915,992	2,493,475	-	2,493,475
XII. DEFERRED TAX LIABILITY		38,236	-	38,236	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
13.1. Held for Sale		-	-	-	-	-	-
13.2. Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(12)	-	32,298,839	32,298,839	-	26,948,856	26,948,856
14.1. Subordinated Loans		-	21,568,852	21,568,852	-	17,997,595	17,997,595
14.2. Other Debt Instruments		-	10,729,987	10,729,987	-	8,951,261	8,951,261
XV. OTHER LIABILITIES		72,159,559	10,087,912	82,247,471	36,199,837	12,897,838	49,097,675
XVI. SHAREHOLDERS' EQUITY		118,369,164	661,482	119,030,646	81,664,501	(30,021)	81,634,480
16.1. Paid-in Capital	(13)	3,350,000	-	3,350,000	3,350,000	-	3,350,000
16.2. Capital Reserves		714	-	714	714	-	714
16.2.1. Share Premium	(14)	714	-	714	714	-	714
16.2.2. Share Cancellation Profits		-	-	-	-	-	-
16.2.3. Other Capital Reserves		-	-	-	-	-	-
16.3. Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss		10,598,225	-	10,598,225	7,329,944	-	7,329,944
16.4. Other Comprehensive Income/Expense Items Reclassified to Profit or Loss		(3,160,475)	661,482	(2,498,993)	(409,275)	(30,021)	(439,296)
16.5. Profit Reserves		71,376,333	-	71,376,333	38,203,368	-	38,203,368
16.5.1. Legal Reserves		836,127	-	836,127	861,957	-	861,957
16.5.2. Status Reserves		-	-	-	-	-	-
16.5.3. Extraordinary Reserves		70,540,206	-	70,540,206	37,341,411	-	37,341,411
16.5.4. Other Profit Reserves		-	-	-	-	-	-
16.6. Profit/Loss		36,174,298	-	36,174,298	33,172,965	-	33,172,965
16.6.1. Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2. Current Period's Net Profit/Loss		36,174,298	-	36,174,298	33,172,965	-	33,172,965
16.7. Minority Interest		30,069	-	30,069	16,785	-	16,785
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		945,280,305	609,812,222	1,555,092,527	546,998,266	476,423,913	1,023,422,179

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Off-Balance Sheet Commitments and Contingencies for the Year Ended 31 December 2024

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

Section 5 Part III	Current Period 31.12.2024			Prior Period 31.12.2023		
	TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	1,374,176,112	1,089,593,429	2,463,769,541	907,487,303	922,457,024	1,829,944,327
I. GUARANTEES (1), (2), (3), (4)	68,860,694	72,997,791	141,858,485	48,549,117	53,929,929	102,479,046
1.1. Letters of guarantee	62,169,376	45,739,458	107,908,834	44,076,997	33,824,955	77,901,952
1.1.1. Guarantees subject to State Tender Law	1,188,060	360,738	1,548,798	1,053,713	296,168	1,349,881
1.1.2. Guarantees given for foreign trade operations	27,853,300	45,378,720	73,232,020	19,387,203	33,528,787	52,915,990
1.1.3. Other letters of guarantee	33,128,016	-	33,128,016	23,636,081	-	23,636,081
1.2. Bank loans	6,659,144	11,921,949	18,581,093	4,424,551	8,634,539	13,059,090
1.2.1. Import letter of acceptance	6,659,144	11,921,949	18,581,093	4,424,551	8,634,539	13,059,090
1.2.2. Other bank acceptances	-	-	-	-	-	-
1.3. Letters of credit	32,174	15,336,384	15,368,558	47,569	11,470,435	11,518,004
1.3.1. Documentary letters of credit	32,174	12,065,515	12,097,689	47,569	10,614,747	10,662,316
1.3.2. Other letters of credit	-	3,270,869	3,270,869	-	855,688	855,688
1.4. Prefinancing given as guarantee	-	-	-	-	-	-
1.5. Endorsements	-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Türkiye	-	-	-	-	-	-
1.5.2. Other endorsements	-	-	-	-	-	-
1.6. Securities issue purchase guarantees	-	-	-	-	-	-
1.7. Factoring guarantees	-	-	-	-	-	-
1.8. Other guarantees	-	-	-	-	-	-
1.9. Other collaterals	-	-	-	-	-	-
II. COMMITMENTS (1)	1,015,194,147	58,887,412	1,074,081,559	572,434,073	104,846,594	677,280,667
2.1. Irrevocable commitments	905,586,551	49,048,177	954,634,728	485,304,663	9,176,161	494,480,824
2.1.1. Forward asset purchase commitments	15,532,200	42,268,303	57,800,503	2,941,702	8,020,668	10,962,370
2.1.2. Forward deposit purchase and sales commitments	-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries	-	-	-	-	-	-
2.1.4. Loan granting commitments	170,600,580	3,528	170,604,108	93,558,042	2,944	93,560,986
2.1.5. Securities underwriting commitments	-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7. Payment commitment for checks	9,978,545	-	9,978,545	6,684,472	-	6,684,472
2.1.8. Tax and fund liabilities from export commitments	638,126	-	638,126	279,060	-	279,060
2.1.9. Commitments for credit card expenditure limits	701,154,935	-	701,154,935	376,605,042	-	376,605,042
2.1.10. Commitments for promotions related with credit cards and banking activities	266,571	-	266,571	211,656	-	211,656
2.1.11. Receivables from short sale commitments	-	-	-	-	-	-
2.1.12. Payables for short sale commitments	-	-	-	-	-	-
2.1.13. Other irrevocable commitments	7,415,594	6,776,346	14,191,940	5,024,689	1,152,549	6,177,238
2.2. Revocable commitments	109,607,596	9,839,235	119,446,831	87,129,410	95,670,433	182,799,843
2.2.1. Revocable loan granting commitments	108,531,569	5,117,588	113,649,157	86,230,900	94,129,552	180,360,452
2.2.2. Other revocable commitments	1,076,027	4,721,647	5,797,674	898,510	1,540,881	2,439,391
III. DERIVATIVE FINANCIAL INSTRUMENTS (5), (6)	290,121,271	957,708,226	1,247,829,497	286,504,113	763,680,501	1,050,184,614
3.1. Derivative financial instruments for hedging purposes	66,760,432	249,215,870	315,976,302	19,679,677	185,692,642	205,372,319
3.1.1. Fair value hedge	15,312,045	69,175,034	84,487,079	851,802	33,306,240	34,158,042
3.1.2. Cash flow hedge	51,448,387	180,040,836	231,489,223	18,827,875	152,386,402	171,214,277
3.1.3. Hedge of net investment in foreign operations	-	-	-	-	-	-
3.2. Held for trading transactions	223,360,839	708,492,356	931,853,195	266,824,436	577,987,859	844,812,295
3.2.1. Forward foreign currency buy/sell transactions	33,959,665	42,851,520	76,811,185	19,577,116	32,006,901	51,584,017



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Off-Balance Sheet Commitments and Contingencies for the Year Ended 31 December 2024

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

	Section 5 Part III	Current Period 31.12.2024			Prior Period 31.12.2023		
		TL	FC	TOTAL	TL	FC	TOTAL
3.2.1.1.	Forward foreign currency transactions-buy	4,654,510	31,345,839	36,000,349	18,911,051	7,747,196	26,658,247
3.2.1.2.	Forward foreign currency transactions-sell	29,305,155	11,505,681	40,810,836	666,065	24,259,705	24,925,770
3.2.2.	Swap transactions related to foreign currency and interest rates	168,670,230	609,516,109	778,186,339	231,687,369	530,183,466	761,870,835
3.2.2.1.	Foreign currency swap-buy	496,690	192,061,484	192,558,174	136,463	218,997,022	219,133,485
3.2.2.2.	Foreign currency swap-sell	38,405,742	160,167,909	198,573,651	138,769,508	85,800,464	224,569,972
3.2.2.3.	Interest rate swaps-buy	64,883,899	128,643,358	193,527,257	46,390,699	112,692,990	159,083,689
3.2.2.4.	Interest rate swaps-sell	64,883,899	128,643,358	193,527,257	46,390,699	112,692,990	159,083,689
3.2.3.	Foreign currency, interest rate and securities options	20,388,544	55,846,295	76,234,839	7,553,316	7,053,806	14,607,122
3.2.3.1.	Foreign currency options-buy	4,386,608	32,716,538	37,103,146	7,212,979	529,529	7,742,508
3.2.3.2.	Foreign currency options-sell	16,001,936	23,129,757	39,131,693	340,337	6,524,277	6,864,614
3.2.3.3.	Interest rate options-buy	-	-	-	-	-	-
3.2.3.4.	Interest rate options-sell	-	-	-	-	-	-
3.2.3.5.	Securities options-buy	-	-	-	-	-	-
3.2.3.6.	Securities options-sell	-	-	-	-	-	-
3.2.4.	Foreign currency futures	342,400	278,432	620,832	8,006,635	7,566,158	15,572,793
3.2.4.1.	Foreign currency futures-buy	278,663	53,802	332,465	8,006,635	-	8,006,635
3.2.4.2.	Foreign currency futures-sell	63,737	224,630	288,367	-	7,566,158	7,566,158
3.2.5.	Interest rate futures	-	-	-	-	-	-
3.2.5.1.	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2.	Interest rate futures-sell	-	-	-	-	-	-
3.2.6.	Other	-	-	-	-	1,177,528	1,177,528
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	5,381,729,952	1,573,132,054	6,954,862,006	3,889,890,357	1,194,005,216	5,083,895,573
IV.	ITEMS HELD IN CUSTODY	1,506,182,911	179,463,974	1,685,646,885	1,339,805,556	53,080,213	1,392,885,769
4.1.	Assets under management	138,061,161	123,741,202	261,802,363	55,638,253	28,756	55,667,009
4.2.	Investment securities held in custody	1,045,553,753	31,289,577	1,076,843,330	1,085,838,490	35,898,115	1,121,736,605
4.3.	Checks received for collection	56,757,474	4,486,208	61,243,682	43,596,663	2,702,396	46,299,059
4.4.	Commercial notes received for collection	8,400,994	3,168,618	11,569,612	5,448,086	2,194,245	7,642,331
4.5.	Other assets received for collection	-	-	-	-	-	-
4.6.	Assets received for public offering	-	-	-	-	-	-
4.7.	Other items under custody	257,409,529	16,778,369	274,187,898	149,284,064	12,256,701	161,540,765
4.8.	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	2,199,855,869	730,804,542	2,930,660,411	1,431,923,260	636,309,351	2,068,232,611
5.1.	Marketable securities	11,029,178	35,956,788	46,985,966	6,113,180	31,504,275	37,617,455
5.2.	Guarantee notes	1,942,813	575,537	2,518,350	951,802	431,079	1,382,881
5.3.	Commodity	1,878,689	-	1,878,689	1,167,097	-	1,167,097
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	553,311,156	330,679,284	883,990,440	348,159,077	298,122,947	646,282,024
5.6.	Other pledged items	1,631,694,033	363,592,933	1,995,286,966	1,075,532,104	306,251,050	1,381,783,154
5.7.	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	1,675,691,172	662,863,538	2,338,554,710	1,118,161,541	504,615,652	1,622,777,193
	TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)	6,755,906,064	2,662,725,483	9,418,631,547	4,797,377,660	2,116,462,240	6,913,839,900

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



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Profit or Loss for the Year Ended 31 December 2024

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

III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS		Section 5 part IV	Current Period 01.01. - 31.12.2024	Prior Period 01.01. - 31.12.2023
I.	INTEREST INCOME	(1)	318,891,005	129,595,059
1.1.	Interest income on loans		211,745,016	82,597,724
1.2.	Interest income on reserve deposits		19,605,106	412,862
1.3.	Interest income on banks		5,147,883	1,187,700
1.4.	Interest income on money market transactions		1,040,044	1,125,411
1.5.	Interest income on securities portfolio		65,869,405	35,379,661
1.5.1.	Financial assets measured at FVTPL		1,628,379	413,236
1.5.2.	Financial assets measured at FVOCI		35,397,843	10,289,759
1.5.3.	Financial assets measured at amortized cost		28,843,183	24,676,666
1.6.	Financial lease income		5,322,993	3,167,055
1.7.	Other interest income		10,160,558	5,724,646
II.	INTEREST EXPENSE (-)	(2)	244,281,622	91,269,609
2.1.	Interest on deposits		192,091,321	73,397,628
2.2.	Interest on funds borrowed		18,440,798	10,073,122
2.3.	Interest on money market transactions		23,671,860	3,259,979
2.4.	Interest on securities issued		8,681,577	3,879,530
2.5.	Interests on leases		324,717	145,924
2.6.	Other interest expenses		1,071,349	513,426
III.	NET INTEREST INCOME/EXPENSE (I - II)		74,609,383	38,325,450
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		53,705,691	20,306,295
4.1.	Fees and commissions received		70,998,431	28,439,748
4.1.1.	Non-cash loans		1,366,870	890,141
4.1.2.	Others		69,631,561	27,549,607
4.2.	Fees and commissions paid (-)		17,292,740	8,133,453
4.2.1.	Non-cash loans		20,203	17,224
4.2.2.	Others		17,272,537	8,116,229
V.	DIVIDEND INCOME	(3)	23,497	13,067
VI.	TRADING INCOME / LOSS (NET)	(4)	(28,306,198)	13,715,986
6.1.	Trading income/loss on securities		2,224,546	2,762,239
6.2.	Income/loss from derivative financial transactions		(39,759,441)	(9,215,435)
6.3.	Foreign exchange income/loss		9,228,697	20,169,182
VII.	OTHER OPERATING INCOME	(5)	1,308,335	2,418,546
VIII.	TOTAL OPERATING GROSS PROFIT (III+IV+V+VI+VII)		101,340,708	74,779,344
IX.	EXPECTED CREDIT LOSSES (-)	(6)	17,656,169	12,124,627
X.	OTHER PROVISION LOSSES (-)		(1,914,426)	2,853,258
XI.	PERSONNEL EXPENSES (-)		18,967,201	9,924,076



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Profit or Loss for the Year Ended 31 December 2024

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

INCOME AND EXPENSE ITEMS		Section 5 part IV	Current Period 01.01. - 31.12.2024	Prior Period 01.01. - 31.12.2023
XII.	OTHER OPERATING EXPENSES (-)	(7)	19,515,001	10,633,531
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		47,116,763	39,243,852
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION		-	-
XVII.	OPERATING PROFIT/LOSS BEFORE TAXES (XII+...+XV)	(8)	47,116,763	39,243,852
XVIII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	(9)	10,935,195	6,065,918
18.1.	Current tax charge		9,286,777	10,895,200
18.2.	Deferred tax charge (+)		4,666,434	3,287,001
18.3.	Deferred tax credit (-)		(3,018,016)	(8,116,283)
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	(10)	36,181,568	33,177,934
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1.	Income from assets held for sale		-	-
20.2.	Income from sale of associates, subsidiaries and joint-ventures		-	-
20.3.	Others		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1.	Expenses on assets held for sale		-	-
21.2.	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
21.3.	Others		-	-
XXII.	PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XX+XXI)		-	-
XXIII.	PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-
23.1.	Current tax charge		-	-
23.2.	Deferred tax charge (+)		-	-
23.3.	Deferred tax credit (-)		-	-
XXIV.	NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	(11)	36,181,568	33,177,934
25.1.	Group's profit/loss		36,174,298	33,172,965
25.2.	Minority interest		7,270	4,969
	Earnings Per Share		1.0798	0.9902

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



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2024

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

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

		Current Period 01.01. - 31.12.2024	Prior Period 01.01. - 31.12.2023
I.	CURRENT PERIOD PROFIT/LOSS	36,181,568	33,177,934
II.	OTHER COMPREHENSIVE INCOME	1,208,584	4,180,414
2.1.	Other Income/Expense Items Not Reclassified Through Profit or Loss	3,268,281	8,002,101
2.1.1.	Revaluation Surplus on Tangible Assets	3,385,589	7,914,871
2.1.2.	Revaluation Surplus on Intangible Assets	-	-
2.1.3.	Defined Benefit Plans' Actuarial Income/Expense	(167,606)	57,545
2.1.4.	Other Income/Expense Items not Reclassified to Profit or Loss	15	571
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	50,283	29,114
2.2.	Other Income/Expense Items Reclassified to Profit or Loss	(2,059,697)	(3,821,687)
2.2.1.	Foreign Currency Translation Differences	-	-
2.2.2.	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(3,859,679)	(4,376,615)
2.2.3.	Income/losses from Cash Flow Hedges	958,975	(791,648)
2.2.4.	Income/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5.	Other Income/Expense Items Reclassified to Profit or Loss	-	-
2.2.6.	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	841,007	1,346,576
III.	TOTAL COMPREHENSIVE INCOME (I+II)	37,390,152	37,358,348

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Changes in Shareholders' Equity for the Year Ended 31 December 2024

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY	Section 5 Part V		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Income/Loss	Others ^(*)	Translation Differences	Income/Expenses from Valuation and/ or Reclassification of Financial Assets Measured at FVOCI	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Minority Interest	Minority Shareholders' Interest	Total Shareholders' Equity
	Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss	Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss															
Prior Period - 01.01 - 31.12.2023																	
I. Balances at Beginning of Period		3,350,000	714	-	-	-	(673,188)	1,031	1,851,783	1,530,608	20,979,569	17,223,799	-	44,264,316	11,816	44,276,132	
II. Correction made as per TAS B		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Balances at Beginning of Period		3,350,000	714	-	-	-	(673,188)	1,031	1,851,783	1,530,608	20,979,569	17,223,799	-	44,264,316	11,816	44,276,132	
IV. Total Comprehensive Income		-	-	-	-	-	86,659	571	(3,345,573)	(476,114)	-	33,172,965	33,172,965	37,353,379	4,969	37,358,348	
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Others Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	17,223,799	(17,223,799)	-	-	-	
11.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2. Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	17,223,799	(17,223,799)	-	-	-	
11.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period (III+IV+...+XI+XII)		3,350,000	714	-	-	-	7,914,871	1,602	(1,493,790)	1,054,494	38,203,368	33,172,965	33,172,965	81,617,695	16,785	81,634,480	

CHANGES IN SHAREHOLDERS' EQUITY	Section 5 Part V		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Income/Loss	Others ^(*)	Translation Differences	Income/Expenses from Valuation and/ or Reclassification of Financial Assets Measured at FVOCI	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Minority Interest	Minority Shareholders' Interest	Total Shareholders' Equity
	Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss	Other Comprehensive Income/Expense Items Reclassified to Profit or Loss															
I. Balances at Beginning of Period		3,350,000	714	-	-	-	7,914,871	(586,529)	1,602	-	(1,493,790)	1,054,494	33,172,965	-	81,617,695	16,785	81,634,480
II. Correction made as per TAS B		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period		3,350,000	714	-	-	-	7,914,871	(586,529)	1,602	-	(1,493,790)	1,054,494	33,172,965	-	81,617,695	16,785	81,634,480
IV. Total Comprehensive Income		-	-	-	-	-	3,385,589	(117,323)	15	-	(2,730,980)	671,263	-	36,174,298	37,362,882	6,014	37,390,152
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Others Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1. Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV+...+XI+XII)		3,350,000	714	-	-	-	11,300,460	(703,852)	1,617	-	(4,224,770)	1,725,777	-	36,174,298	119,000,577	30,069	119,030,646

(*) Accumulated amounts of share of investments accounted for by the equity method that cannot be classified as profit/loss from other comprehensive income with other comprehensive income and other comprehensive income that will not be reclassified to other profit or loss.
(**) Accumulated amount of cash flow hedge income/loss, equity attributable to equity holders of the Group for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss.

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

		Current Period 01.01. - 31.12.2024	Prior Period 01.01. - 31.12.2023
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1.	Operating profit before changes in operating assets and liabilities	53,398,070	88,834,180
1.1.1.	Interest received	284,967,428	96,884,943
1.1.2.	Interest paid	(248,761,210)	(74,402,437)
1.1.3.	Dividend received	23,497	13,067
1.1.4.	Fees and commissions received	71,063,654	28,493,648
1.1.5.	Other income	1,308,283	1,099,024
1.1.6.	Collections from previously written off loans	7,438,410	3,288,012
1.1.7.	Payments to personnel and service suppliers	(17,960,854)	(9,172,529)
1.1.8.	Taxes paid	(14,849,813)	(8,994,979)
1.1.9.	Other	(29,831,325)	51,625,431
1.2.	Changes in operating assets and liabilities	31,481,528	(41,086,288)
1.2.1.	Net (increase) decrease in financial assets measured at fair value through profit/loss	(8,980,715)	(4,006,872)
1.2.2.	Net (increase) decrease in due from banks	(54,713,895)	(25,963,427)
1.2.3.	Net (increase) decrease in loans	(268,362,078)	(164,005,702)
1.2.4.	Net (increase) decrease in other assets	(22,856,945)	(9,626,574)
1.2.5.	Net increase (decrease) in bank deposits	26,284,793	8,129,678
1.2.6.	Net increase (decrease) in other deposits	185,464,321	143,152,545
1.2.7.	Net increase (decrease) in financial liabilities at fair value through profit or loss	-	-
1.2.8.	Net increase (decrease) in funds borrowed	7,877,016	(9,708,579)
1.2.9.	Net increase (decrease) in matured payables	-	-
1.2.10.	Net increase (decrease) in other liabilities	166,769,031	20,942,643
I.	Net cash provided from banking operations	84,879,598	47,747,892
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash provided from / (used in) investing activities	(73,117,291)	(38,052,825)
2.1.	Cash paid for purchase of entities under common control, associates and subsidiaries	-	-
2.2.	Cash obtained from sale of entities under common control, associates and subsidiaries	-	-
2.3.	Fixed assets purchases	(9,225,409)	(7,248,221)
2.4.	Fixed assets sales	274,015	1,089,617
2.5.	Cash paid for purchase of financial assets measured at fair value through other comprehensive income	(161,889,518)	(51,097,248)
2.6.	Cash obtained from sale of financial assets measured at fair value through other comprehensive income	95,769,016	29,630,115
2.7.	Cash paid for purchase of Financial Assets Measured at Amortized Cost	(19,551,082)	(33,460,484)
2.8.	Cash obtained from sale of Financial Assets Measured at Amortized Cost	21,505,687	23,033,396
2.9.	Other	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from / (used in) financing activities	31,438,366	34,195,717
3.1.	Cash obtained from funds borrowed and securities issued	176,303,780	97,257,338
3.2.	Cash used for repayment of funds borrowed and securities issued	(143,796,912)	(62,458,213)
3.3.	Issued equity instruments	-	-
3.4.	Dividends paid	-	-
3.5.	Payments for finance leases	(1,068,502)	(603,408)
3.6.	Other	-	-
IV.	Effect of foreign currency translation differences on cash and cash equivalents	763,980	2,231,281
V.	Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)	43,964,653	46,122,065
VI.	Cash and cash equivalents at the beginning of the period	119,377,778	73,255,713
VII.	Cash and cash equivalents at end of the period (V+VI)	163,342,431	119,377,778

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Consolidated Statement of Profit Appropriation for the Year Ended 31 December 2024

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

VII. CONSOLIDATED STATEMENT OF PROFIT APPROPRIATION(*)

		Current Period 31.12.2024(**)	Prior Period 31.12.2023
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1.	CURRENT YEAR INCOME	44,312,885	37,732,640
1.2.	TAXES AND DUTIES PAYABLE	8,138,544	4,560,198
1.2.1.	Corporate Tax (Income Tax)	6,572,107	9,367,050
1.2.2.	Income Withholding Tax	-	-
1.2.3.	Other Taxes And Duties	1,566,437	(4,806,852)
A.	NET INCOME FOR THE YEAR (1.1.-1.2.)	36,174,341	33,172,442
1.3.	PRIOR YEAR LOSSES (-)	-	-
1.4.	FIRST LEGAL RESERVES (-)	-	-
1.5.	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3.+1.4.+1.5.)]	36,174,341	33,172,442
1.6.	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1.	To Owners of Ordinary Shares	-	-
1.6.2.	To Owners of Privileged Shares	-	-
1.6.3.	To Owners of Preferred Shares	-	-
1.6.4.	To Profit Sharing Bonds	-	-
1.6.5.	To Holders of Profit And (Loss) Sharing Certificates	-	-
1.7.	DIVIDENDS TO PERSONNEL (-)	-	-
1.8.	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9.	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1.	To Owners of Ordinary Shares	-	-
1.9.2.	To Owners of Privileged Shares	-	-
1.9.3.	To Owners of Preferred Shares	-	-
1.9.4.	To Profit Sharing Bonds	-	-
1.9.5.	To Holders of Profit And (Loss) Sharing Certificates	-	-
1.10.	SECOND LEGAL RESERVES (-)	-	-
1.11.	STATUTORY RESERVES (-)	-	-
1.12.	EXTRAORDINARY RESERVES	-	33,172,163
1.13.	OTHER RESERVES	-	-
1.14.	SPECIAL FUNDS	-	279
II.	DISTRIBUTION OF RESERVES		
2.1.	APPROPRIATED RESERVES	-	-
2.2.	SECOND LEGAL RESERVES (-)	-	-
2.3.	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1.	To Owners of Ordinary Shares	-	-
2.3.2.	To Owners of Privileged Shares	-	-
2.3.3.	To Owners of Preferred Shares	-	-
2.3.4.	To Profit Sharing Bonds	-	-
2.3.5.	To Holders of Profit And (Loss) Sharing Certificates	-	-
2.4.	DIVIDENDS TO PERSONNEL (-)	-	-
2.5.	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE		
3.1.	TO OWNERS OF ORDINARY SHARES	1.0798	0.9902
3.2.	TO OWNERS OF ORDINARY SHARES (%)	107.98%	99.02%
3.3.	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4.	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1.	TO OWNERS OF ORDINARY SHARES	-	-
4.2.	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3.	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4.	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Profit Appropriation Statement has been prepared according to unconsolidated financial statements of the Parent Bank.

(**) Decision regarding the profit distribution for the 2024 will be taken at the General Meeting.

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Group prepares the financial statements within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Law published in the Official Gazette no. 26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”) and in case where a specific regulation is not made by BRSA and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight, Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Financial Statements to be Disclosed to Public by Banks and Explanations and Footnotes Thereof” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” and amendments to this Communiqué.

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified. The amounts expressed in foreign currency is indicated by the full amount.

Explanation for convenience translation to English

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated 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.

2. Accounting policies and valuation principles used in the preparation of the consolidated financial statements

The accounting policies and valuation principles used in the preparation of the financial statements are determined and applied, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”). The accounting policies and valuation principles related with current period are explained in Notes II to XXVIII below.

Consolidated financial statements are prepared on the historical cost basis except for financial assets and liabilities at fair value through profit or loss, properties under the tangible assets and financial assets at fair value through other comprehensive income.

In preparing the consolidated financial statements in accordance with TFRS, the Parent Bank’s management is required to make assumptions and estimations about the assets and liabilities in the balance sheet and contingent matters as of the balance sheet date. These assumptions and estimations are reviewed regularly, necessary corrections are made and the details of the effects of these adjustments are reflected in the profit or loss statement as explained in the related footnotes.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

I. Basis of Presentation (Continued)

2. Accounting policies and valuation principles used in the preparation of the consolidated financial statements (Continued)

2.1. Other

In Financial Reporting Standard in Hyperinflationary Economies (“TAS 29”), the threshold value to be taken as a basis for determining whether there is hyperinflation in an economy by considering the economies with high inflation and the financial statements of the enterprises whose functional currency is the currency of a hyperinflationary economy are related to inflation explains how to fix it. In the announcement dated 23 November 2023, issued by the Public Oversight, Accounting and Auditing Standards Authority, flexibility has been granted to competent institutions or organizations authorized to regulate and supervise in their respective fields to determine different transition dates for the application of inflation accounting for the financial statements of companies subject to independent audit. In this context, BRSA has determined the transition date of banks, financial leasing, factoring, financing, savings financing and asset management companies to TAS 29 as 1 January 2025 with the decision numbered 10825 and dated 11 January 2024, and no inflation adjustment has been made according to TAS 29 while preparing the financial statements as of 31 December 2024. In its decision dated 5 December 2024, and numbered 11021, the Banking Regulation and Supervision Agency has decided that inflation accounting will not be applied by banks, as well as by financial leasing, factoring, financing, savings financing, and asset management companies in 2025.

The TFRS 17 Insurance Contracts Standard was published by the Public Oversight, Accounting and Auditing Standards Authority (POA) in the Official Gazette dated 16 February 2019, and numbered 30688, and with this announcement, the mandatory effective date of the standard was postponed to accounting periods beginning on or after 1 January 2024. Based on POA's letter dated 15 February 2024, and numbered 22667, the effective date of TFRS 17 has been further postponed to 1 January 2025. With the recent announcement made by POA, the mandatory effective date of the standard has been postponed to accounting periods beginning on or after 1 January 2026. This standard replaces TFRS 4, which currently allows for a wide range of applications. In this regard, the bank has not applied the relevant standard in its consolidated financial statements for its subsidiary, QNB Sigorta.

Regarding the partnership share in QNB Sağlık Hayat ve Emeklilik A.Ş., whose 49% capital is owned by the Parent Bank, with the decision of Bank's Board of Directors, 22,950,000 shares with a total nominal value of TL 22,950,000 which is owned by Cigna Nederland Gamma BV and corresponds to 51% of the capital of QNB Sağlık Hayat ve Emeklilik A.Ş., was decided to be purchased with a price of TL 981,000,000 (in full TL). In this context, a Share Purchase Agreement was signed with Cigna Nederland Gamma BV on 21 October 2022. The said share transfer transaction was realized with the General Assembly held on 21 December 2022, after the necessary permissions were obtained, but due to the fact that the original of the document subject to the transfer could not be found, the decision was made by the Parent Bank for the cancellation of the document. The registration of the General Assembly regarding the share transfer was completed on 13 January 2023 and as of this date, the acquisition has been completed.

QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş., which was accounted for by the equity method as a joint venture in the consolidated financial statements on 31 December 2022, became a “Subsidiary” as of January 2023 and was accounted for by the full consolidation method in the consolidated financial statements.

As explained in detail above, 51% of the Parent Bank's subsidiary QNB Sigorta shares were purchased on 21 December 2022. Turkish Financial Reporting Standard No. 3 (“TFRS 3”), which is about business combinations, requires the acquisition price to be accounted for by distributing the identifiable assets and assumed identifiable liabilities, including the intangible assets of the acquired business, to their fair values at the acquisition date. The studies initiated by the Parent Bank by appointing independent valuation companies in order to reliably determine the fair value, allocation of the purchase price and the amount of goodwill that may arise have been completed and the necessary adjustments have been made as of the acquisition date.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

I. Basis of Presentation (Continued)

2. Accounting policies and valuation principles used in the preparation of the consolidated financial statements (Continued)

The profit/loss calculation arising from the change of control is as follows:

Purchase price of additional QNB Sigorta shares (51%)	981,000
Fair value of QNB Sigorta shares held by the Parent Bank before the acquisition (49%)	1,267,280
	2,248,280
Fair value of net assets controlled (100%)	2,586,285
Income from bargaining purchase	338,005
Carrying value of QNB Sigorta shares held by the Parent Bank before the acquisition (49%)	285,763
Fair value of QNB Sigorta shares held by the Parent Bank before the acquisition (49%)	1,267,280
Value increase in shares owned before the acquisition	981,517
Gross profit resulting from the change of control	1,319,522
Tax Effect	(99,311)
Net profit resulting from the change of control	1,220,211

The temporary determined fair values of the identifiable assets and liabilities arising from the acquisition within the scope of TFRS 3 are as follows:

Assets	4,323,739
Cash and Cash Equivalents	1,124,051
Agency Contract	2,113,426
Other Assets	1,086,262
Liabilities	1,737,454
Trade Payables	96,264
Insurance Technical Provisions	1,443,976
Tax Liability	68,541
Other Liabilities	128,673
Net Assets Defined at Fair Value	2,586,285
Carrying value of QNB Sigorta shares held by the Bank before the acquisition (49%)	(285,763)
Net profit as a result of control transfer	(1,319,522)
Purchase price of additional QNB Sigorta shares (51%)	981,000



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions

1. Strategy for the use of financial instruments

The major funding sources of the Parent Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear a fixed interest rate and have an average maturity of up to 3 months in line with the sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are reprised at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return and sufficient collaterals. The Parent Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and a higher return on long-term placements is aimed.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FX interest rate). Thus, the Parent Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Parent Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of Value at Risk (“VAR”) by taking risk tolerance as a cap. The maximum VAR amounts are determined by interest and currency risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Group’s foreign currency debt securities which are categorized as financial assets at fair value through other comprehensive income explained in foreign currency risk section and the applications regarding the cash flow hedging of interest rate cash flow risk resulting from deposits are explained in the Interest Rate Risk section in detail.

2. Foreign currency transactions

2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

The Group accounts for the transactions denominated in foreign currencies in accordance with The Effects of Changes in Foreign Exchange Rates (“TAS 21”). Foreign exchange incomes and losses arising from transactions that are completed, As of 31 December 2024 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Parent Bank for the period end and the resulting exchange differences are recorded as foreign exchange incomes and losses. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions (Continued)

2. Foreign currency transactions (Continued)

2.2. Net income or loss is included in the total foreign exchange differences for the period

The foreign currency position of the Parent Bank and the profit/loss from the foreign exchange transactions realized are included in the statement of profit or loss comprehensive foreign exchange income/loss and income/losses from derivative financial instruments in the statement of profit or loss comprehensive. While incomes/loss from spot foreign exchange transactions are included in the profit/loss item of foreign exchange income/loss on balance sheet, profit/loss from derivative financial transactions (forward, option etc.) for the purpose of hedging related transactions are included in income/loss statement of derivative financial instruments. Therefore, in order to determine the net income/loss effects of foreign exchange transactions, two balances should be assessed together.

As of 31 December 2024, derivative financial transactions loss amounting to TL 39,759,441 (31 December 2023 - TL 9,215,435 derivative financial transactions loss) and net foreign exchange income amounting to TL 9,228,697 - (31 December 2023 - TL 20,169,182 net foreign exchange income), excluding net interest expense amounting to TL 36,497,617 (31 December 2023 - TL 4,477,259 net interest expense) arising from derivative financial transactions, the net profit on foreign currency transactions is TL 5,966,873 (31 December 2023 - TL 15,431,006 net profit on foreign currency transactions).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions (Continued)

2. Foreign currency transactions (Continued)

2.3. Foreign associates

None.

III. Information on Associates, Subsidiaries and Entities Under Common Control

The accompanying consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standard in regards to Consolidated Financial Statements (“IFRS 10”) and BRSA’s “Regulation on Preparation of Consolidated Financial Statements of Banks” published on the Official Gazette No. 26340 and dated 8 November 2006.

The corporations included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

	Consolidation Method	Place of Establishment	Subject of Operations	Effective Share of the Group (%)	
				31 December 2024	31 December 2023
1. QNB Yatırım Menkul Değerler A.Ş. (QNB Invest)	Full Consolidation	Türkiye	Securities Intermediary Services	100.00	100.00
2. QNB Portföy Yönetimi A.Ş. (QNB Portföy)	Full Consolidation	Türkiye	Portfolio Management	100.00	100.00
3. QNB Finansal Kiralama A.Ş. (QNB Finansleasing)	Full Consolidation	Türkiye	Financial Leasing	99.40	99.40
4. QNB Faktoring A.Ş. (QNB Faktoring)	Full Consolidation	Türkiye	Factoring Services	100.00	100.00
5. QNB Varlık Kiralama Şirketi A.Ş.	Full Consolidation	Türkiye	Asset Lease	100.00	100.00
6. QNBeyond Ventures B.V.	Full Consolidation	Netherlands	Financial Holding	100.00	100.00
7. QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. (QNB Sigorta)	Full Consolidation	Türkiye	Private Pension and Insurance	100.00	100.00

Subsidiaries maintain their books of accounts and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Commercial Code, Financial Leasing Law and Turkish Capital Markets Board (“CMB”) regulations. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, in accordance with Turkish Accounting Standards (“TAS”) and Turkish Financial Reporting Standards (“IFRS”) and related additions and interpretations published by Public Accounting and Auditing Oversight Authority (“POA”).

Differences between the accounting policies of subsidiaries and entities under common control and those of the Parent Bank are adjusted, if material. The financial statements of the subsidiaries and entities under common control are prepared as of 31 December 2024.

1. Subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank.

Control is regarded as when the Parent Bank has the power over an investment made in a legal entity, is exposed to variable returns due to its relationship with the invested legal entity, has the ability to use its power over the invested business, and can influence the amount of returns it will obtain.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

III. Information on Associates, Subsidiaries and Entities Under Common Control (Continued)

1. Subsidiaries (Continued)

Subsidiaries are consolidated using the full consolidation method based on the size of their asset, equity and result of operations. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Group and are put out of consolidation's scope as soon as control is removed. Accounting policies applied by subsidiaries that are included in consolidated financial statements are not different from the Parent Bank's accounting policies.

According to full consolidation method, 100% of subsidiaries' asset, liability, income, expense and off balance sheet items are consolidated with the Parent Bank's asset, liability, income, expense and off balance sheet items. Book value of the Group's investment in each subsidiary is netted off with Group's equity shares. Unrealized incomes and losses and balances that arise due to transactions between subsidiaries within consolidation scope, have been net off. Non-controlling interests are shown separately from earnings per share on consolidated balance sheet and statement of profit or loss and other comprehensive income.

2. Associates and entities under common control

The Parent Bank does not have any financial associates and entities under common control that are consolidated in the accompanying financial statements.

Equity method is a method of accounting whereby the book value of the investor's share capital in the subsidiary or the entities under common control is either added to or subtracted in proportion with investor's share from the change in the subsidiaries or entities under common control's equity within the period. The method also foresees that profit will be deducted from the subsidiaries or entities under common control's accordingly recalculated value.

IV. Explanations on Futures and Options Contracts and Derivative Products

The Group enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Group also carries out currency and interest options and credit default swap and futures agreements.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank converts the foreign currency liquidity obtained from customer deposits and the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

The Parent Bank's derivative instruments held for trading and derivative instruments hedging purpose are classified, measured and accounted in accordance with “IFRS 9” and Financial Instruments: Recognition and Measurement (“IAS 39”), respectively. Derivative instruments held for trading and derivative instruments hedging purpose are initially recognized at fair value and subsequently measured at fair value. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values.

The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the “Derivative Financial Assets at Fair Value Through Profit/Loss”, “Derivative Financial Liabilities at Fair Value Through Profit/Loss” or “Derivative Financial Assets at Fair Value Through Other Comprehensive Income” and “Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts of derivative transactions presented on the balance sheet, represent the fair value differences based on the valuation.

Fair values of foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data.

Fair values of option contracts are calculated with option pricing models.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

IV. Explanations on Futures and Options Contracts and Derivative Products (Continued)

Futures transactions are accounted for at settlement as of the balance sheet date.

The Parent Bank does not have either any hybrid contract contains a host that is not an asset within the scope of this standard or a financial instrument which shall be separated from the host and accounted for as derivative under this standard.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another. The Parent Bank's credit derivatives portfolio included in the off-balance sheet accounts composes of credit default swaps resulted from protection buying or selling.

Credit default swap is a contract, in which the protection seller commits to pay the protection value to the protection buyer in case of certain credit risk events in return for the premium paid by the buyer for the contract. Credit default swaps are valued daily at their fair values.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revaluation differences, are recorded in the statement of profit or loss and other comprehensive income on Income/loss from Derivative financial transactions. These foreign currency valuation differences are accounted for under “Foreign Exchange Income/loss” account.

In cash flow hedge accounting

The Parent Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL and FC customer deposits with short term cyclical basis and subordinated loans and loans with floating rate financial receivables which have floating interest payment. The Parent Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity “Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss” whereas the amount concerning ineffective parts is associated with the statement of profit or loss and other comprehensive income.

QNB Finansal Kiralama AŞ., the subsidiary of the Parent Bank, applies cash flow hedge accounting through interest rate swaps to hedge itself against changes floating rate foreign currency borrowings and floating rates TL securities.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging incomes and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting

The Parent Bank applies fair value hedge accounting in accordance with TAS 39 by performing swap transactions to hedge long term, fixed rate installment loans against fluctuations in market interest rates.

The Parent Bank applies fair value hedge accounting using interest rate swaps to hedge long term, fixed rate, foreign currency Eurobonds in financial assets measured at fair value through other comprehensive portfolio against interest rate fluctuations.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon payment in financial assets measured at fair value through other comprehensive income portfolio using swap transactions as hedging instruments.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the fixed rate, foreign currency bonds issued using interest rate swap transactions as hedging instruments.

QNB Finansal Kiralama AŞ., the subsidiary of the Parent bank, applies fair value hedge accounting through interest rate swaps to hedge itself against changes in interest rates related to fixed rate TL securities issued.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

IV. Explanations on Futures and Options Contracts and Derivative Products (Continued)

QNB Finansal Kiralama A.Ş., the subsidiary of the Parent bank, applies fair value hedge accounting through interest rate swaps to hedge itself against changes in interest rates related to TL borrowings.

QNB Finansal Kiralama A.Ş., the subsidiary of the Parent Bank applies hedge accounting by means of swaps for the purpose of hedging the changes in interest and exchange rates regarding securities issued, borrowings and financial leasing receivables.

The Parent Bank and its consolidated financial subsidiaries apply effectiveness tests for fair value hedge accounting at each balance sheet date.

Fair value hedge accounting effects are accounted under “Derivative Financial Transactions Income/Loss from Derivative Financial Transactions” in the statement of profit or loss.

QNB Finansal Kiralama A.Ş., the subsidiary, conducts cash flow hedge accounting transactions effectiveness tests on every balance sheet date, the active segments are as defined in TAS 39 accounted in line with under Equity, “Reclassification of Accumulated Other Comprehensive Income and Expense in Profit or Loss” in financial statements and the amount related to the inactive part is associated with statement of profit or loss.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in statement of profit or loss and other comprehensive income.

As of 30 September 2018, the Bank terminated the hedge accounting for the fair value hedge of the fair value risk arising from the changes in the exchange rates for the real estates purchased in previous periods in foreign currency and the fair value of which is in foreign currency in the market and as of 31 December 2024, fair value exchange difference adjustment amounting to TL 1,087,003 (31 December 2023 - 1,114,764) which is shown intangible assets in the balance sheet, is amortized over the economic life of the property subject to hedging.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

IV. Explanations on Futures and Options Contracts and Derivative Products (Continued)

V. Explanations on Interest Income and Expenses

Interest income is recorded according to the effective interest rate method (Rate equal to net present value of future cash flows of financial assets or liabilities) defined in the TFRS 9 by applying the effective interest rate to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. When applying the effective interest rate method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. Fees that are an integral part of the effective interest rate of a financial instrument are treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value being recognized in profit or loss.

When the effective interest method is applied, fees, transaction costs, and other premiums or discounts included in the calculation of the effective interest rate are amortized over the expected life of the financial instrument. In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest of the period after the acquisition is recorded as interest income in the financial statements. If the expectation for the cash flows from financial asset is revised for reasons other than the credit risk, the change is reflected in the carrying amount of asset and in the related statement of profit or loss line and is amortized over the estimated life of financial asset.

If the financial asset is impaired and classified as a non-performing receivable, the Parent Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of “Expected Credit Losses” and “Interest Income on Loans” for such calculated amount.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VI. Explanations on Fees and Commission Income and Expenses

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.

VII. Explanations and Disclosures on Financial Instruments

Initial recognition of financial instruments

The Parent Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. A financial asset or financial liability, excluding assets assessed under TFRS 15, is initially measured at its fair value when first recognized in the financial statements. In the initial measurement of financial assets and liabilities, excluding those for which fair value changes are reflected in profit or loss, transaction costs directly attributable to the acquisition or issuance are either added to or deducted from their fair value.

Classification of financial instruments

On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

As per TFRS 9, a financial asset is classified on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss. The Parent Bank tested all financial assets within the scope of TFRS 9 whether their “contractual cash-flows solely represent payments of principal and interest” and assessed the asset classification within the business model.

Assessment of business model

As per TFRS 9, the Parent Bank’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Parent Bank’s business models are divided into three categories.

Business model aimed to hold assets in order to collect contractual cash flows

This is a model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortized cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Receivables from the Central Bank, banks, receivables from money markets, investments under financial assets measured at amortized cost, loans and other receivables are assessed within this business model.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Instruments (Continued)

Business model aimed to collect contractual cash flows and sell financial assets

This is a model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value change of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at fair value through other comprehensive income are assessed in this business model.

Other business models

Financial assets are measured at fair value through profit or loss when they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss are assessed in this business model.

Measurement categories of financial assets and liabilities

Financial assets are classified in three main categories as listed below in accordance with TFRS 9:

- Financial assets measured at fair value through profit/loss;
- Financial assets measured at fair value through other comprehensive income; and
- Financial assets measured at amortized cost.

Financial assets at the fair value through profit or loss

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and measured at their fair value after recognition. All income and losses arising from these valuations are reflected in the statement of profit or loss and other comprehensive income.

In accordance with the Uniform Chart of Accounts (UCoA) explanations, the positive difference between the acquisition cost and the discounted value of a financial asset is recorded under “Interest Income” If the fair value of the asset exceed the discounted value, the positive difference is recorded in the “Capital Market Transactions Profits” account. Conversely, if the fair value is lower than the discounted value, the negative difference between the discounted value and the fair value is recorded in the “Capital Market Transactions Losses” account. In cases where such assets are sold before their maturities, the income/loss on such sales are recorded under trading account income/losses.

Financial assets at fair value through other comprehensive income

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income. Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Instruments (Continued)

Financial assets at fair value through other comprehensive income (Continued)

Unrealized incomes and losses arising from 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 statement of profit or loss and other comprehensive income of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and are accounted under the “Other comprehensive income/expense items to be reclassified to profit/loss” under shareholders’ equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

The Parent Bank has inflation indexed (“CPI”) government bonds in its financial assets at fair value through other comprehensive income and measured at amortized cost portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in ‘Inflation Indexed Bonds Manual’ published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary. At the end of the year, the actual inflation rate is used.

Some portion of the Eurobond portfolio which has been recognized as financial assets at FV through OCI are designated as fair value hedged items, hedged against interest rate fluctuations, starting from March and April 2009, hedged against interest rate fluctuations. Those securities are disclosed under financial assets at FV through OCI in order to be in line with balance sheet presentation. The fair value differences of Eurobond and TL government bond hedged items are accounted for under “Capital Market Transactions Profit/ Loss” in the statement of profit or loss and other comprehensive income.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. After fair value accounting is ceased; value differences, previously reflected the statement of profit or loss and other comprehensive income, are amortized through the equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately recognized in the statement of profit or loss and other comprehensive income.

Financial assets measured at amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at “amortized cost” by using “effective interest rate method”. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss and other comprehensive income.

The Parent Bank as explained in part IV, “Explanations on Derivative Financial Assets and Liabilities”, enters into fx swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Parent Bank accounts for the hedged loan portfolio at fair value related to hedged risk, the swap transactions used as the hedging instrument at fair value and reflects the related net income or loss to respective period’s statement of profit or loss and other comprehensive income.

When the fair value hedge accounting could not be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through statement of profit or loss and other comprehensive income until the maturity of the hedged loans.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses

The Group recognizes a loss allowance for expected credit losses on financial assets and loans measured at amortized cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit/loss based on TFRS 9 and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans” effective from 1 January 2018. At each reporting date, the Group shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the changes in the default risk of financial instrument is considered.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. These financial assets are divided into three categories depending on increase in credit risk observed since their initial recognition:

Stage 1

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of expected credit losses on the 12-month default risk. It is calculated 12-month expected credit loss based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate. As of 31 December 2024, minimum probability of default rate of Basel II is used in the expected credit loss calculation of receivables from public institutions and organizations. Such calculation is performed for each of three scenarios explained below.

Stage 2

As of the reporting date of the financial asset, in the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. Calculation approach is quite similar with approach mentioned above, but probability of default and loss amount in default ratios estimated for the lifetime of instruments.

Stage 3

Financial assets considered as impaired at the reporting date are classified as Stage 3. The probability of default is taken into account as 100% in the calculation of impairment provision and Parent Bank accounts lifetime expected credit losses. In determining the impairment, the Parent Bank takes into consideration the following criteria:

- Delay of over 90 days and impairment of credit worthiness.
- Collateral and/or equity of debtor is inadequate cover the payment of receivables on the maturity.
- If it is convinced that will be delayed by more than 90 days for recovery of receivables due to macroeconomic, sector-specific or customer-specific reasons.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

Calculation of expected credit losses

The Group measured expected credit losses with the reasonable, objective and supportable information based on a probability-weighted including estimations about time value of money, past events, current conditions and future economic conditions as of the reporting date, without undue cost or effort. The calculation of expected credit losses consists of three main parameters: probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”). PDs and LGDs used in the ECL calculation are point in time (“PIT”)-based for key portfolios and consider both current conditions and expected cyclical changes.

While the expected credit loss is estimated, three scenarios (internal base, internal mild negative, internal severe negative) are evaluated. Each of these scenarios was associated with the different PD and LGD.

In addition, a certain portion of commercial and corporate loans is assessed individually in accordance with the internal policies in the calculation of the expected credit losses based on TFRS 9. Such calculations are made by discounting the expected cash flows from the individual financial instrument to its present value using the effective interest rate.

When measuring expected credit losses, it shall be considered the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. Such assessment is made by reflecting the estimate of expected credit loss which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.

Probability of default

The PD represents the likelihood of a default over a specified time period. A 12-month PD represents the likelihood of default determined for the next 12 months and a lifetime PD represents the probability of default over the remaining lifetime of the instrument. The lifetime PD calculation is based on a series of 12-month PIT PDs that are derived from through the cycle (TTC) PDs and scenario forecasts. It is used internal rating systems for both retail and commercial portfolios to measure risk level. The internal rating models used for the commercial portfolio include customer financial information and qualitative survey responses. PD models used in the retail portfolio include the behavioral data of the customer and the product in the bank and the demographic information of the customer. Probability of default calculation has been carried out based on past information, current conditions and forward looking macroeconomic parameters.

Loss Given Default

The LGD represents an estimate of the economic loss at the time of a potential default occurring during the life of a financial instrument. The LGD is calculated taking into account expected future cash flows from collateral and other credit enhancements by considering time value of money. LGD calculations are performed using historical data which best reflects current conditions, by formation of segments based on certain risk factors that are deemed important for each portfolio and inclusion of forward-looking information and macroeconomic expectations. LGD summarizes all cash flows from customers subsequent to default. It covers all costs and collections that occur during the collection cycle, including collections from collaterals. It also includes the “time value of money” calculated by means of deducting costs and additional losses from the present value of collections. Except for corporate loans for which LGD is assigned individually or as prescribed by the Basel Committee, the Parent Bank bases its LGD estimates on models for corporate portfolios and on past experiences for housing loans and unsecured loans.

Exposure at default

The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument. It represents the cash flows outstanding at the time of default, considering expected repayments, interest payments and accruals, discounted at the effective interest rate. Future drawdowns on facilities are considered through a credit conversion factor (“CCF”) that is reflective of historical drawdown and default patterns and the characteristics of the respective portfolios. While the expected credit loss is estimated, three scenarios (internal base, internal mild negative, internal severe negative) are evaluated. Each of these scenarios was associated with the probability of different default and loss in default.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

Consideration of the macroeconomic factors

Loss given default and probability of default parameters are determined by considering macroeconomic factors. The macroeconomic variables used in the calculation of the expected loss are as follows:

- Five year credit risk of Türkiye (CDS Spread);
- Real GDP growth;
- Unemployment rate;
- Inflation rate; and
- Five year government bond interest rate of Türkiye.

Stages were determined through the models created using internal information for the Parent Bank, the simplified method has been applied for other financial institutions.

The Parent Bank updates the macroeconomic variables used in expected credit loss calculations twice a year and applies them to its models. In addition, The Parent Bank revised its macroeconomic expectations and weights in the calculation of expected credit losses on 31 December 2024. Due to the nature of the model effects, events that cause changes and their effects occur at different times. For this reason, the Parent Bank has made individual valuations in order to eliminate the timing difference and provided additional provisions for the sector and customers that are considered to have a high impact.

This approach, which is preferred in provision calculations for 2024, will be revised in the following reporting periods, taking into account the existing portfolio and future expectations.

Calculating the expected loss period

Lifetime ECL is calculated by taking into account maturity extensions, repayment options and the period during which the Parent Bank will be exposed to credit risk. The time in financial guarantees and other irrevocable commitments represents the credit maturity for which the liabilities of the Parent Bank. Behavioral maturity analysis has been performed on credit cards, current accounts payable and overdraft accounts. With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless there is the legal right to call it earlier.

Significant increase in credit risk

The Parent Bank makes qualitative and quantitative assessments regarding assessment of significant increase in credit risk of financial assets to be classified as Stage 2 (Significant Increase in Credit Risk).

Within the scope of quantitative assessment, the quantitative reason explaining the significant increase in the credit risk is based on a comparison of the probability of default calculated at the origination of the loan and the probability of default assigned for the same loan as of the reporting date. If there is a significant deterioration in PD, it is considered that there is a significant increase in credit risk and the financial asset is classified as Stage 2. In this context, the Parent Bank has calculated thresholds at which point the relative change is a significant deterioration. In the quantitative evaluation of the significant increase in credit risk, the Parent Bank considers the absolute thresholds as well as the relative thresholds as an additional layer. Receivables with a probability of default above the absolute threshold value are evaluated in Stage 2, regardless of the relative change.

The Parent Bank classifies the financial asset as Stage 2 (Significant Increase in Credit Risk) where any of the following conditions are satisfied as a result of a qualitative assessment:

- Loans overdue more than 30 days as of the reporting date;
- Loans classified as watch-list of the Bank;
- When there is a change in the payment plan due to restructuring.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

Write-Off Policy

Receivables that are classified as non-performing loans are collected primarily within the framework of administrative contacts with the debtors, and if no results are obtained, through legal means, in case the write-off of the uncollectible receivables comes to the agenda, one of the methods of destruction, sale of receivables and write-down can be applied.

In accordance with the provisions of the “Regulation on the Amendment of the Regulation on the Classification of Loans and the Procedures and Principles Regarding the Classification of Loans and Provisions for These” published in the Official Gazette dated July 2021 and No. 31533, they are classified under the “Fifth Group - Loans with a Loss Qualification” and are for life due to the default of the debtor. The portion of the loans for which there is no reasonable expectation of the recovery of the expected loan loss provision is deducted from the records within the period determined specifically for the situation of the borrower within the scope of TFRS 9, starting from the first reporting period (interim or year-end reporting period) following their classification in this Group. In this context, deducting the loans that cannot be collected from the records is an accounting practice and does not result in the waiver of the right to receivable.

The portion of the loan receivables that do not have reasonable expectations regarding the recovery of the following items is deducted from the records within the scope of accounting practice:

- Classified as “Fifth Group - Loans with a Loss Qualification” under the regulation;
- The number of days of delay is at least one year;
- Lifetime expected credit loss provision has been made due to the default of the borrower.

The portion of the loans that do not have reasonable expectations regarding the recovery of the loans is determined by the internal organs authorized by the Board of Directors. Within the scope of this article, deducting the loans from the records is an accounting practice. Receivables are followed up by the relevant credit and operation teams before the customer.

Within the scope of TFRS 9, the amount written off by the Parent Bank during the period is TL 86,331 (31 December 2023 - TL 10,113) and the effect on the NPL ratio of the Parent Bank is 0.01% (31 December 2023 - 0.00%). While the NPL ratio is 2.66% (31 December 2023 - 1.74%) with the current period non-performing loan figures, the calculated rate including the loans written off during the year is 2.67% (31 December 2023 - 1.74%).

IX. Explanations on Netting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Group has a legally enforceable right to offset the recognized amounts, and the intention of collecting or paying the net amount of related assets and liabilities or to realize the asset and settle the liability simultaneously

X. Derecognition of Financial Instruments

a) Derecognition of financial assets due to change in contractual terms

Based on TFRS 9, the renegotiation or modification of the contractual cash flows of a financial asset could lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered as ‘new’ financial asset. When the Parent Bank assesses the characteristics of the new contractual terms of the financial asset, it evaluates the contractual cash flows including foreign currency rate changes, conversion to equity, counterparty changes and solely principal and interest on principle.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, it is recalculated the gross carrying amount of the financial asset and recognized a modification income or loss in profit or loss. Where all risks and rewards of ownership of the asset have not been transferred to another party and the Parent Bank retains control of the asset, the Parent Bank continues to recognize the remaining portion of the asset and liabilities arising from such asset. When the Parent Bank retains substantially all the risks and rewards of ownership of the transferred asset, the transferred asset continues to be recognized in its entirety and the consideration received is recognized as a liability.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

X. Derecognition of Financial Instruments (Continued)

b) Derecognition of financial assets without any change in contractual terms

The asset, if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party is derecognized. Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the income or loss arising from the difference between the book value and the amount obtained and any accumulated income directly accounted in equity shall be recognized in profit/loss.

c) Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when, and only when, it is extinguished when the obligation specified in the contract is discharged or cancelled or expires.

d) Reclassification of financial instruments

Based on TFRS 9, it shall be reclassified all affected financial assets at amortised cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when, and only when, it is changed the business model for managing financial assets.

e) Restructuring and refinancing of financial instruments

The Parent Bank may be changed the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

Restructuring is to change the financial terms of existing loans in order to facilitate the payment of debt. Refinancing is granting a new loan which will cover either the principal or the interest payment in whole or in part of one or a few existing loans due to the anticipated financial difficulty which the customer or group encounter currently or will encounter in the future.

Changes in the original terms of a credit risk can be made in the current contract or through a new contract. Corporate and commercial companies which have been restructured and refinanced may be excluded from close monitoring, as a minimum, within the scope of the "Regulation on the Determination of the Qualifications of Loans and Other Receivables by Banks and the Procedures and Principles Regarding the Provisions To Be Allocated These" and when the following conditions are met:

- Subsequent to the thorough review of company's financial data and its owners' equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time;
- At least 1 year should pass over the date of restructuring, the date of removal from nonperforming loan category, at least 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring/refinancing shall be paid.

In order for the restructured non-performing corporate and commercial loans to be classified to the watchlist category, the following conditions must be met:

- Recovery in debt service;
- At least 1 year should pass over the date of restructuring;
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring/refinancing or the date when the debtor is classified as non-performing (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring/refinancing;
- The delayed payments having been collected, reasons for classifying as doubtful receivables eliminated, (in accordance with the conditions stated above) and being no delays as of the day of reclassification, in principal and/or interest payments, with no doubts about the timely settlement of future payments.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

X. Derecognition of Financial Instruments (Continued)

During the follow-up period of at least one year following the date of restructuring/refinancing, if there is a new restructuring/refinancing or a delay of more than 30 days, the transactions which were non-performing at the beginning of the follow-up period are classified as non-performing loans again.

In personal loans, loans can be restructured in order to give liquidity power to the debtor and to ensure the collection of the receivables of the Parent Bank in case of temporary liquidity problems due to the failure of the payment obligation to the Parent Bank. The exclusion of customers from the scope of restructuring is carried out within the scope of the “Regulation on the Determination of the Qualifications of Loans and Other Receivables by Banks and the Procedures and Principles Regarding the Provisions To Be Set Aside For These”.

XI. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Group’s management’s future intentions, either at market prices or using discounting method with internal rate of return.

Funds obtained in return for repo agreements are monitored in the “Funds From Repo Transactions” accounts under liabilities, and the expense rediscount is calculated according to the internal yield method for the part of the difference between the sales and repurchase prices determined by the repo agreements, which corresponds to the period.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 178,933,527 (31 December 2023 - TL 39,923,647)

As of 31 December 2024, the Parent Bank has no securities that are subject to lending transactions (31 December 2023 - None).

Securities purchased with a commitment to resell (reverse repurchase agreements) has shown under “Cash and Cash Equivalents” on the line of “Money Market Placements” in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

XII. Explanations on Assets Held for Sale and Discontinued Operations

In accordance with IFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortization on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the Group’s control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale. As of 31 December 2024, the Group has assets held for sale and discontinued operations explained in footnote 1.17. of Section Five.

A discontinued operation is a part of the Parent Banks’ business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the statement of profit or loss and other comprehensive income. The Parent Bank has no discontinuing operations.

The Parent Bank classifies tangible assets which are acquired due to non-performing receivables as other assets.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XIII. Explanations on Goodwill and Other Intangible Assets

The Group's intangible assets consist of software, intangible rights and goodwill.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets by The Group. The useful life of softwares is determined as 3-5 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (“TAS 36”) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIV. Explanations on Tangible Assets

Initial records of tangible fixed assets are made based on their cost, which is calculated by adding the acquisition amount and other direct expenses necessary to make the asset usable. Tangible assets are valued at their remaining amounts after deducting accumulated depreciation and accumulated value decreases, if any, from their cost in the period following their recording.

As of 31 December 2024, the Parent Bank started to account for its properties, under the tangible assets with their revalued amounts instead of their cost values in accordance with “TAS 16 Plant and Equipment”. The revaluation difference arising from the valuations made by the appraisal firms authorized by Capital Markets Board (“CMB”) and BRSA is accounted in Investment Properties Revaluation Differences line under the Shareholders' Equity.

As of each reporting date, the Parent Bank evaluates whether there is any indication that its assets may be impaired; If such an indication exists, the recoverable amount of the relevant asset is estimated within the framework of TAS 36 - Impairment of Assets standard and allocates a provision for impairment if the recoverable amount is below the book value of the relevant asset.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in “Other Operating Expenses” in the related period statement of profit or loss and other comprehensive income when the fair value is below the net book value in accordance with Turkish Accounting Standard on Impairment of Assets (“TAS 36”).

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

Properties	2%
Movables purchased and acquired under finance lease contracts	7% - 25%

The Parent Bank depreciates special expenses on real estate acquired through operating leases before December 2009 according to their useful lives. Depreciation of the leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with “Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes” dated 10 January 2011.

As of the balance sheet date, with respect to assets which are monitored under tangible assets for less than one year, the projected depreciation amount for a full year, is allocated in proportion to the tangible asset's period of stay in the assets.

Incomes or losses resulting from disposals of the tangible assets are recorded in the statement of profit or loss and other comprehensive income as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise, they are expensed.

There are no changes in the accounting estimates in regards to amortization duration, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets. There are no purchase commitments related to the fixed assets.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XV. Explanations on Leasing Transactions

With the adoption of TFRS 16 Leases, the distinction between operating leases and finance leases is eliminated and fixed assets acquired under lease are recognized as “Property, Plant and Equipment” in the Parent Bank’s assets and “Finance Lease Payables” in the Parent Bank’s liabilities at the inception of the lease. At the beginning of the lease, the Parent Bank calculates the right of use amount based on the present value of the lease payments of the leased fixed asset and presents it under “Property, Plant and Equipment”. On the liability side, the Bank measures the lease payments that are not paid as of the related date at their present value and records them as “Lease Payables”. Lease payments are discounted using the borrowing interest rate. Direct costs incurred in making lease payments that are directly attributable to the lease transaction are capitalized by adding them to the cost of assets acquired under finance leases. Lease payments include the finance costs arising from the lease and the portion of the leased asset that is attributable to that period.

TFRS 16 Leases

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same.

Set out below are the accounting policies of the Group upon application of TFRS 16:

Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The right use includes the presence of:

- The initial measurement of the lease;
- The amount obtained by deducting all lease incentives received from all lease payments made on or before the date the lease actually begins; and
- All initial direct costs incurred by the Group.

At the end of the lease term of the underlying asset’s service, the transfer of the Group is reasonably finalized, and the Group depreciates the asset until the end of the life of the underlying asset on which the lease actually began. Right-of-use assets are subject to impairment.

Lease Liabilities

The Group measures the lease obligation at the present value of the unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences, consists of the following payments to be made for the right of use of the underlying asset during the lease period and unpaid on the date the lease actually starts:

- Fixed payments,
- Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease.
- Amounts expected to be paid by the Group under the residual value commitments,
- The use price of this option and, if the Group is reasonably confident that it will use the purchase option,
- Fines for termination of the lease if the lease term indicates that the Group will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred. The Group revises the revised discount rate for the remainder of the lease term, if the implicit interest rate in the lease can be easily determined; the Group’s alternative borrowing interest rate at the date of the revaluation.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XV. Explanations on Leasing Transactions (Continued)

After the effective date of the lease, the Group measures the lease obligation as follows:

- Increase the carrying amount to reflect the interest on the lease obligation; and
- Decreases the carrying amount to reflect the lease payments made.

In addition, in the event of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.

Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Due to the Group's implementation of TFRS 16, right of use assets classified under tangible assets as of 31 December 2024 amounted to TL 2,180,093 (31 December 2023 - TL 1,351,093), lease liability amounted to TL 1,751,064 (31 December 2023 - TL 1,173,271), financing expense amounted to TL 202,795 (31 December 2023 - TL 104,365) and depreciation expense amounted to TL 550,260 (31 December 2023 - TL 323,714).

XVI. Explanations on Factoring Receivables

Factoring receivables are measured at amortized cost using the effective interest rate method after deducting unearned interest income and expected provisions for losses.

XVII. Explanations on Provisions and Contingent Liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with Provisions, Contingent Liabilities and Contingent Assets (“TAS 37”). Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Parent Bank. A provision is recorded in the financial statements if there is a present obligation as a result of past events, it is probable that the obligation will be settled and the amount of the obligation can be measured reliably. If the mentioned criteria are not met, the Group explains the said issues in the explanations and footnotes related to the financial statements. In cases where reliable estimate cannot be made of the amount of the obligation, it is considered contingent liabilities. For contingent liabilities if the probability that the event will occur is greater than the probability that it will not and the amount of the obligation can be measured reliably, a provision is made.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Obligations of the Group for Employee Benefits

Provision for employee severance benefits of the Group has been accounted for in accordance with Employee Benefits (“TAS 19”).

In accordance with the existing social legislation in Türkiye, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, the Group recognizes all actuarial incomes and losses immediately through other comprehensive income.

The Group does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees’ unused vacations has been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension trusts or similar associations of which the Group employees are members.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XIX. Explanations on Insurance Technical Provisions

Insurance companies are subject to TFRS 4 “Insurance Contracts”. The TFRS 4 “Insurance Contracts” standard stipulates that all contracts issued by insurance companies must be classified as either insurance contracts or investment contracts. Contracts carrying a significant insurance risk are classified as insurance contracts. Insurance risk is defined as risks transferred by the policyholder (insured) to the insurer, excluding financial risks. Contracts that do not carry a significant insurance risk are classified as investment contracts.

Investment contracts are accounted for under TFRS 9 “Financial Instruments.” In the consolidated financial statements, insurance technical provisions consist of unearned premium reserves, unexpired risks reserve, outstanding claims provision and life insurance mathematical reserves.

According to the Technical Reserves Regulation, the entity must recognize adequate mathematical reserves based on actuarial principles to meet its obligations to policyholders and beneficiaries for life, health and personal accident insurance contracts with a duration of more than one year.

Mathematical reserves are recognized as based on the formulas and principles given in the technical principles of the tariffs for the life insurances with a term longer than one year.

Companies are required to set aside unearned premium reserves for all contracts except for insurance contracts for which mathematical reserves are set aside. The reserve for unearned premiums consists of the gross amount of premiums accrued for insurance contracts in force, without any commission or other deduction, on a day-to-day basis, over the next accounting period or accounting periods. Outstanding claims liabilities are recognized for incurred but not reported claims and estimated amounts for claims and indemnities that have been calculated but not yet paid.

Provision for outstanding claims is recognized for the claims and compensations that have been accrued and calculated but not paid or, if such amount cannot be calculated, for the estimated amounts and for the claims and compensations incurred but not reported.

Written premiums represent premiums written for policies issued during the period, net of cancellations and taxes. Accrual of premium income in life and non-life branches is realized upon the issuance of the policies. Cash or installment payments are accepted in accordance with the customer’s request. The Company does not have any product related to saving life insurance in the related period.

XX. Explanations on Taxation

1. Corporate tax

According to the Corporate Tax Law No. 5520 published in the Official Gazette No. 26205 dated June 21, 2006, it is stated that; “While corporate tax is calculated at a rate of 20% on corporate profits, Corporate tax is collected at a rate of 25% on the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies”.

Law No. 7456, which entered into force after being published in the Official Gazette No. 32249 dated 15 July 2023, on the Issue of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023 and in the 21st article of Amending Certain Laws and the Decree Law No. 375 with in the first paragraph of the 32nd article of the Law No. 5520 the phrase “20%” has been changed to “25%” and the phrase “25%” to “30%”. This change is valid to be applied to the earnings earned in 2023 and subsequent taxation periods, starting from the returns that must be submitted as of 1 October 2023. Prepaid taxes are tracked in the “Current Tax Liability” or “Current Tax Asset” accounts to be offset with the corporate tax liability of the relevant year.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XX. Explanations on Taxation (Continued)

1. Corporate tax (Continued)

With the 75% of the profits arising from the sale of the participation shares held in the Parent Bank’s assets for more than two years and the founder’s shares, usufruct shares and preference rights held for the same period and 50% of the incomes arising from the sale of immovables that are in the assets of the Parent Bank for the same period is exempt from tax on the condition that it is added to the capital or kept in a special fund account for 5 years as stipulated in the Corporate Tax Law. With the 19th article of Law No. 7456, the exemption for the transfer and delivery of immovable properties that have been in the assets of institutions for at least two full years has been abolished. With the 22nd article of the same Law, it has been regulated that the 50% exception rate in paragraph 5/1-(e) of Law No. 5520 will be applied as 25% in the sales of immovable properties that were in the assets of the institutions before the date of entry into force of the said regulation, as of the date of entry into force of this article. In addition, with the Presidential Decree No. 9160 published in the Official Gazette dated 27 November 2024, the exemption rate for income on sale of subsidiaries was reduced to 50%.

Companies calculate provisional tax at the rate of 30% on their quarterly financial profits to be applied to their profits earned in 2023 and subsequent taxation periods, starting from the declarations that must be submitted as of 1 October 2023 for the 2023 taxation periods, and they declare and pay it until the 17th day of the second month following that period. With the 9th article of the Law No. 7338 on the Amendment of the Tax Procedure Law and Some Laws published in the Official Gazette dated 26 October 2021 and numbered 31640, the repetitive article 120 of the Income Tax Law No. 193 was amended and it has been stated that provisional tax will be calculated and paid on the quarterly earnings determined for the first nine months of the relevant accounting period, which is applied from the declarations submitted.

The temporary tax paid during the year is offset against the corporate tax to be calculated on the corporate tax return for the following year. If there is still an amount of temporary tax paid remaining after offsetting, this amount can be refunded in cash or offset.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, if they do not exceed 5 years. According to the Tax Procedure Law, declarations and related accounting records can be examined by the tax office within five years. On the other hand, if the provision of a document subject to stamp duty, whose tax and penalty is time-barred, is utilized after the expiry of the statute of limitations, the tax receivable of the aforementioned document arises.

The corporate tax provisions calculated over the profit for the period are recorded in the “Current Tax Provision” account in the profit or loss statement, and the current tax effects of the transactions that are directly accounted for in equity are reflected in the shareholders’ equity.

In cases where the profit for the period is not distributed and added to the capital or distributed to fully taxpayer institutions while not subject to withholding tax, in accordance with the Council of Ministers Decision no 2009/14593 and the Council of Ministers Decision no 2009/14594 published in the Official Gazette dated 3 February 2009, and No. 27130, and articles 15th and 30th of the Corporate Tax Law No. 5520. Natural persons who are fully taxpayers, those who are not liable for corporate tax and income tax, those who are exempt from corporate tax and income tax, non-resident corporations (except for those who receive dividends through a workplace or permanent representative in Türkiye) and non-resident taxpayers while profit distribution to natural persons is subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. However, with the Presidential Decree No. 9286 dated 21 December 2024, the dividend withholding rate was increased from 10% to 15%. In the application of withholding tax rates for profit distributions to non-resident companies and natural persons, the practices included in the relevant Double Taxation Agreements are also taken into consideration.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XX. Explanations on Taxation (Continued)

1. Corporate tax (Continued)

The financial statements should be subject to inflation if both of the following conditions are met within the framework of the Tax Procedure Law's reiterated article 298/A:

- The increase in the price index (D-PPI- Domestic Producer Price Index) exceeded 100% in the last three accounting periods, including the current period; and
- To be more than 10% in the current accounting period.

The law on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted on 20 January 2022, with the Law No. 7352, and the conditions regarding the inflation adjustment within the scope of the repeated article 298 are determined in the 2021 and 2022 accounting periods and the 2023 accounting period temporary tax periods, including the temporary accounting periods. It has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the financial statements have been made. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed. After the third paragraph of temporary Article 33 of Law No. 213 and Article 17 of Law No. 7491, the following provision is added: 'For banks, companies within the scope of Law No. 6361 on Financial Leasing, Factoring, Financing, and Savings Financing Companies, payment and electronic money institutions, authorized exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, the profit/loss difference arising from inflation adjustments made during the 2024 and 2025 accounting periods, including temporary tax periods, shall not be considered in determining income.'

2. Deferred Tax

The Parent Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12"). In the calculation of the Parent Bank's deferred tax, the enacted tax rates that are valid in accordance with the current tax legislation are used in accordance with the tax period for the related items.

The Corporate Tax rate for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will be applied as 30%, starting from the declarations that must be submitted as of 1 October 2023, and will also be applied to the profits earned in 2023 and subsequent taxation periods. As of 31 December 2024, deferred tax calculation has been made for assets and liabilities at a rate of 30%.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit.

The Parent Bank is recognized deferred tax for the Stage 1 and Stage 2 expected credit losses provisions. Deferred tax effect related to transactions for which the profit or loss effect is directly accounted in equity, is also reflected to equity.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XX. Explanations on Taxation (Continued)

3. Local and Global Minimum Complementary Corporate Income Tax

In September 2023, POA issued amendments to TAS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws that have been enacted, or are substantively enacted, for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. The exemption from recognizing and disclosing information about deferred taxes and the disclosure requirement for when the exemption has been applied are effective upon issuance of the amendments.

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



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XX. Explanations on Taxation (Continued)

4. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “disguised profit distribution” by way of transfer pricing. “The General Communiqué on Disguised Profit Distribution by way of Transfer Pricing” published on 18 November 2007 explains the application related issues in detail. According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes. Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full-fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communiqué’s 7.5 Annual Documentation section, taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XXI. Explanations on Borrowings

The Parent Bank and consolidated Group companies generate funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XXII. Explanations on Share Issues

There are no shares issued in the current year (31 December 2023 - None).

XXIII. Explanations on Confirmed Bills of Exchange and Acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any. There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXIV. Explanations on Government Incentives

As of 31 December 2024, the Group does not have any governmental incentives or support (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XXV. Explanations on Segment Reporting

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Group also serves in trading financial instruments and treasury operations.

The calculations based on the statement of profit or loss and other comprehensive income for retail banking (consumer banking and plastic cards), corporate and commercial banking that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Parent Bank's senior management and which are updated periodically. In this pricing method, general market conditions and The Bank's internal policies are considered.

Corporate and Commercial Banking serves corporate firms with an annual turnover of TL 7,5 billion (full TL) or more, multinational companies operating in Türkiye, and commercial firms with an annual turnover of TL 750 million - 7,5 billion (full TL). In addition to the financing and investment needs of its customers, it offers products that will facilitate the payment and collection processes in both domestic and foreign trade. It produces solutions that will create added value for all the needs of its customers with its customer-oriented service approach, company-specific solution approach and strategy to establish long-term business partnerships.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XXV. Explanations on Segment Reporting (Continued)

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Parent Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail, SME and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Parent Bank.

Current Period (1 January - 31 December 2024)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Operating Income	67,073,597	33,046,280	1,220,831	101,340,708
Dividend Income	-	-	23,497	23,497
Profit Before Taxes	30,447,716	23,935,723	(7,266,676)	47,116,763
Tax Provision (-)^(*)	-	-	10,935,195	10,935,195
Net Profit/Loss	30,447,716	23,935,723	(18,201,871)	36,181,568
Total Assets	420,837,088	490,345,643	558,230,578	1,555,092,527
Segment Assets	420,837,088	490,345,643	558,230,578	1,469,413,309
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	566,487
Undistributed Assets	-	-	-	85,112,731
Total Liabilities	567,916,244	252,948,360	509,976,262	1,555,092,527
Segment Liabilities	567,916,244	252,948,360	509,976,262	1,330,840,866
Undistributed Liabilities	-	-	-	105,221,015
Equity	-	-	-	119,030,646
Other Segment Accounts	13,805,871	9,190,029	(2,137,111)	20,858,789
Capital Expenditures	12,023,728	8,003,726	(2,189,289)	17,838,165
Amortization	1,782,143	1,186,303	52,178	3,020,624

^(*) No tax provision has been distributed.

Prior Period (1 January - 31 December 2023)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Operating Income	44,035,202	25,262,873	5,481,269	74,779,344
Dividend Income	-	-	13,067	13,067
Profit Before Taxes	24,047,221	13,934,743	1,261,888	39,243,852
Tax Provision (-)^(*)	-	-	6,065,918	6,065,918
Net Profit/Loss	24,047,221	13,934,743	(4,804,030)	33,177,934
Total Assets	270,185,530	332,534,621	363,252,162	1,023,422,179
Segment Assets	270,185,530	332,534,621	363,252,162	965,972,313
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	187,930
Undistributed Assets	-	-	-	57,261,936
Total Liabilities	407,646,366	197,497,269	268,528,957	1,023,422,179
Segment Liabilities	407,646,366	197,497,269	268,528,957	873,672,592
Undistributed Liabilities	-	-	-	68,115,107
Equity	-	-	-	81,634,480
Other Segment Accounts	3,365,611	2,287,072	(743,123)	4,909,560
Capital Expenditures	2,463,638	1,674,144	(540,413)	3,597,369
Amortization	901,973	612,928	(202,710)	1,312,191

^(*) No tax provision has been distributed.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

ACCOUNTING POLICIES (Continued)

XXVI. Profit Reserves and Profit Distribution

The General Assembly Meeting of the Parent Bank was held on 28 March 2024. In the Board of Directors, it was decided that profit distribution 2023 operations to be distributed as follows.

2023 Profit Distribution Table	
Current Year Profit	33,172,442
A - First Legal Reserves (Corporate Tax Law 5.1/E) 5%	279
C - Extraordinary Reserves	33,172,163

XXVII. Earnings per Share

Earnings per share listed on statement of profit or loss and other comprehensive income is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Group's Net Profit for the Period	36,174,298	33,172,965
Weighted Average Amount of Shares Issued (Thousands)	33,500,000	33,500,000
Earnings per Share	1.0798	0.9902

In Türkiye, companies can increase capital through “bonus share” distributed from previous year earnings to current shareholders. Such “bonus share” distributions are accounted as issued shares while calculating earnings per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case, amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of “bonus share”, earnings per share is calculated taking into consideration the new amount of shares.

Amount of issued bonus shared as of 31 December 2024 is none (Amount of issued bonus shared as of 31 December 2023 is none).

XXVIII. Explanations on Other Matters

As stated in the PDP disclosure dated 25 November 2022, it was decided to continue the Enpara banking services offered under the ‘Enpara’ trademark within the Parent Bank under a separate legal entity independent from the Parent Bank in order to ensure maximum value creation for the Parent Bank’s shareholders. In order to implement this decision, it is planned to establish a deposit bank under the name of Enpara Bank A.Ş. and transfer the Parent Bank’s Enpara banking services to the new bank to be established through partial separation. The establishment permit application made by the founding shareholders for the establishment of the new bank was concluded on 5 August 2023 and the establishment permit for Enpara Bank A.Ş. was obtained and the establishment of Enpara Bank A.Ş. was registered on 4 December 2023.

The application for obtaining an operating permit as required by the legislation was made on 5 December 2023. The Parent Bank obtained the operational permit with the official gazette published by the Board on 23 August 2024 and started its operations on 30 December 2024 with the notification made to the BRSA. After obtaining the operational permit, the Parent Bank will apply to the BRSA, CMB and other institutions and organisations that require permission in order to carry out partial spin-off transactions in a structure where the Parent Bank’s controlling shareholder (QNB Group) and minority shareholders’ shareholder status and current share ratios are preserved.

As of 31 December 2024, Enpara’s banking activities to be separated represent 10.1% of the Parent Bank’s consolidated assets and liabilities. Assets and liabilities that will be removed from the balance sheet will not create any change in the Parent Bank’s equity. If such a separation had occurred on 31 December 2024, the Parent Bank capital adequacy ratio would have increased by 150 basis points to 18.15%. If such a separation had occurred on 31 December 2023, The Parent Bank’s profit before tax for 2024 would be 11.0% lower.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. Explanations on Consolidated Equity

Total capital and Capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks.” As of 31 December 2024, Group’s total capital has been calculated as TL 158,640,172 (31 December 2023 - TL 112,478,019), capital adequacy ratio is 16.65% (31 December 2023 - 15.92%) calculated pursuant to former regulations.

In the calculation of the amount subject to credit risk, in accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated 23 October 2015, as stated in the Board Decision dated 12 December 2023 and numbered 10747; when calculating the values of monetary assets and non-monetary assets, other than items in foreign currency measured in historical cost, pursuant to TAS and related special provisions; the application for the use of the Central Bank of the Republic of Türkiye foreign exchange buying rate as of 26 June 2023 has been decided to continue using the CBRT’s foreign exchange buying rate as of 28 June 2024 as of 1 January 2025, until a BRSA Decision to the contrary is taken.

In accordance with the BRSA Decision No. 10747 dated 12 December 2023, if the net valuation differences of the securities held by the banks in the “Securities at Fair Value Through Other Comprehensive Income” portfolio are negative as of 1 January 2024, to be calculated in accordance with the Regulation on Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756, and to continue to apply the existing provisions of the said Regulation for “Securities at Fair Value Through Other Comprehensive Income” acquired after the date of this decision.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

I. Explanations on Consolidated Equity (Continued)

Components of consolidated shareholders' equity items

	Current Period 31 December 2024	Prior Period 31 December 2023
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	3,350,000	3,350,000
Share issue premiums	714	714
Reserves	71,376,333	38,203,368
Incomes recognized in equity as per TAS	12,713,686	9,637,262
Profit	36,174,298	33,172,965
Current Period Profit	36,174,298	33,172,965
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	1,617	1,602
Minorities' Share	30,069	16,785
Common Equity Tier 1 Capital Before Deductions	123,646,717	84,382,696
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1,345,983	2,740,465
Improvement costs for operating leasing	525,707	209,781
Goodwill (Net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (Net of related tax liability)	5,698,349	3,774,422
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (Net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Incomes arising from securitization transactions	-	-
Unrealized incomes and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	7,570,039	6,724,668
Total Common Equity Tier 1 Capital	116,076,678	77,658,028



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

I. Explanations on Consolidated Equity (Continued)

	Current Period 31 December 2024	Prior Period 31 December 2023
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	18,522,158	15,455,055
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	18,522,158	15,455,055
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common equity Tier 1 capital for the purposes of the first subparagraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	18,522,158	15,455,055
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	134,598,836	93,113,083
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA	-	-
Debt instruments and premiums deemed suitable by BRSA (Temporary Article 4)	13,582,916	11,333,707
Third parties' share in the Tier II Capital	-	-
Third parties' share in the Tier II Capital (Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	10,722,720	8,090,624
Tier II Capital Before Deductions	24,305,636	19,424,331



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

I. Explanations on Consolidated Equity (Continued)

	Current Period 31 December 2024	Prior Period 31 December 2023
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	24,305,636	19,424,331
Total Capital (The sum of Tier I Capital and Tier II Capital)	158,904,472	112,537,414
Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	50,295	9,598
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	-	-
Other items to be defined by the BRSA (-)	214,005	49,797
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

I. Explanations on Consolidated Equity (Continued)

	Current Period 31 December 2024	Prior Period 31 December 2023
TOTAL CAPITAL		
Total Capital	158,640,172	112,478,019
Total risk weighted amounts	952,597,385	706,673,784
Capital Adequacy Ratios		
Consolidated Core Capital Adequacy Ratio (%)	12.19	10.99
Consolidated Tier 1 Capital Adequacy Ratio (%)	14.13	13.18
Consolidated Capital Adequacy Ratio (%)	16.65	15.92
BUFFERS		
Bank specific total common equity tier 1 capital ratio	3.51	3.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	0.01	0.00
c) Systemic significant bank buffer ratio (%)	1.00	1.00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	6.19	4.99
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of 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	-	-
Portion of the total of 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	2,800	2,800
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	-	-
General provisions for standard based receivables (before ten thousand twenty-five limitation)	23,576,865	20,952,466
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	10,722,720	8,090,624
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	18,522,158	15,455,055
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	13,582,916	11,333,707
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

I. Explanations on Consolidated Equity (Continued)

Information on debt instruments included in the calculation of equity

Information on debt instruments included in the calculation of equity			
	1	2	3
Issuer	QATAR NATIONAL BANK Q.P.S.C.	QATAR NATIONAL BANK Q.P.S.C.	QNB BANK A.Ş.
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	ISIN: XS2678233243 Common Code: 267823324
Governing law(s) of the instrument	BRSA	BRSA	It is subject to English Law and, with respect to certain articles, to Turkish regulations (CMB-BRSA).
Regulatory treatment	Additional Capital	Supplementary Capital	Supplementary Capital
Since 1.1.2015 10% reduction by being subject to the application	No	No	No
Eligible at stand-alone/ consolidated	Standalone - Consolidated	Standalone - Consolidated	Standalone - Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Subordinated debt instrument (Bond)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	18,534	3,035	10,730
Par value of instrument (Currency in million)	18,534	3,035	10,730
Accounting classification	Liability - Subordinated Loans-amortized cost	Liability - Subordinated Loans-amortized cost	Liability - Subordinated Loans-amortized cost
Original date of issuance	30 June 2019	26 May 2022	15 Nov 2023
Perpetual or dated	Perpetual	Dated	Dated
Original maturity date	-	8 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Every 5 years	3 years	5 years
Subsequent call dates, if applicable	-	-	-
Coupons/dividends	-	-	-
Fixed or floating dividend/coupon	Fixed	Floating	Fixed
Coupon rate and any related index	First 5 years fixed at 9.50%, next 5 years fixed at SOFR + 7.36	SOFR + 5.10%	10.75%
Existence of a dividend stopper	Interest will not be processed for the value reduced after the impairment date.	-	-
Fully discretionary, partially discretionary or mandatory	Discretionary	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

I. Explanations on Consolidated Equity (Continued)

Information on debt instruments included in the calculation of equity (Continued)

	1	2	3
Existence of step up or other incentive to redeem	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	Yes	None
If convertible, conversion trigger (s)	-	Article number 7-2-i of “Own fund regulation”	-
If convertible, fully or partially	-	All of the remaining capital	-
If convertible, conversion rate	-	(*)	-
If convertible, mandatory or optional conversion	-	Optional	-
If convertible, specify instrument type convertible into	-	Equity Share	-
If convertible, specify issuer of instrument it converts into	-	QNB Bank A.Ş.	-
Write-down feature	Yes	None	Yes
If write-down, write-down trigger(s)	Non-existence of the core capital ratio is less than 5.125%	-	The occurrence of non-existence
If write-down, full or partial	Full and partial	-	Full and partial
If write-down, permanent or temporary	Temporary	-	Temporary
If temporary write-down, description of write-up mechanism	Disappearance of non-existence and higher core capital ratio than 5.125%	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After borrowing and contribution capital	After borrowing, before additional capital, the same as other contribution capital	After borrowing, before additional capital, the same as other contribution capital
Incompliance with article number 7 and 8 of “Own fund regulation”	It fulfills the conditions within the Article number 7 of “Own fund regulation” the Regulation on the Equity of Banks.	It fulfills the conditions within the Article number 8 of “Own fund regulation” the Regulation on the Equity of Banks.	It fulfills the conditions within the Article number 8 of “Own fund regulation” the Regulation on the Equity of Banks.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	-	-	-

(*) The conversion rate/value will be calculated based on the market data available when the right is exercised.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

I. Explanations on Consolidated Equity (Continued)

Explanations on the reconciliation of shareholders' equity items and balance sheet amounts

	Current Period	Prior Period
Balance sheet total equity	119,030,648	81,634,480
Hedge funds	(1,865,452)	(842,911)
Discounts made within the scope of the regulation	(6,224,060)	(3,983,832)
TFRS 9 transition period application (Temporary Article 5)	-	-
Accumulated revaluation and/or reclassification income/loss on financial assets at fair value through other comprehensive income	5,135,542	850,291
Core Capital	116,076,678	77,658,028
Additional capital	18,522,158	15,455,055
Capital	134,598,836	93,113,083
Expected loss allowance (Stages 1 and 2)	10,722,720	8,090,624
Debt instruments deemed appropriate by the institution	13,582,916	11,333,707
Discounts made within the scope of the regulation	(264,300)	(59,395)
Total Equity	158,640,172	112,478,019

II. Explanations on Consolidated Risk Management

1. Consolidated credit risk explanations

Credit Risk Explanations Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Parent, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every steps of the Group's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan Limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Group's loan limit revision procedures.

The Group analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans.

The Group has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Group monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Group in line with the Group's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Group's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operation abroad and credit transactions is acceptable and there is no significant credit risk density in international banking market.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

The policies implemented by the bank regarding the calculation of expected loss provisions are explained in note VIII of the third part. The bank has taken into consideration the general provision for overdue loans and special provision for impaired loans under the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables (the Provisioning Regulation).

In accordance with the Banking Regulation and Supervision Agency's Decision No. 10496 dated 31 January 2023;

In the calculation of the amount subject to credit risk, in accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated 23 October 2015, as stated in the Board Decision dated 12 December 2023 and numbered 10747; when calculating the values of monetary assets and non-monetary assets, other than items in foreign currency measured in historical cost, pursuant to TAS and related special provisions; the application for the use of the Central Bank of the Republic of Türkiye foreign exchange buying rate as of 26 June 2023 has been decided to continue using the CBRT's foreign exchange buying rate as of 28 June 2024 as of 1 January 2025, until a BRSA Decision to the contrary is taken.

In case the net valuation differences of the securities held by the banks in the portfolio of “Securities at Fair Value Through Other Comprehensive Income” as of the date of this Decision are negative, these differences will be calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013, and allowing the opportunity not to be taken into account in the amount of equity to be used for the capital adequacy ratio, continuing to apply the existing provisions of the aforementioned Regulation for “Securities at Fair Value Reflected in Other Comprehensive Income” acquired after the date of this decision,

With the attached decision of the Banking Regulation and Supervision Agency dated 31 January 2023 and numbered 10496, the Capital Adequacy Regulation;

The limit related to the definition of small and medium-sized enterprises (SMEs) stated in the first paragraph of Article 3(vv) is determined as TL 500,000,000 for domestically resident SMEs and for internationally resident SMEs, it determined to use the SME definition employed by the banking authority of the country where the SME is located for the calculation of capital adequacy.

It has been reported that a decision has been made to set the retail credit limit mentioned in the first sentence of the second paragraph of Article 6(c) at TL 20,000,000.

- The receivables of the Group from its top 100 cash loan customers are 21% in the total cash loans (31 December 2023 - 23%).
- The receivables of the Group from its top 200 cash loan customers are 25% in the total cash loans (31 December 2023 - 28%).
- The receivables of the Group from its top 100 non-cash loan customers are 43% in the total non-cash loans (31 December 2023 - 44%).
- The receivables of the Group from its top 200 non-cash loan customers are 53% in the total non-cash loans (31 December 2023 - 53%).
- The share of cash and non-cash receivables of the Group from its top 100 loan customers in total cash and non-cash loans is 21% (31 December 2023 - 23%).
- The share of cash and non-cash receivables of the Group from its top 200 loan customers in total cash and non-cash loans is 26% (31 December 2023 - 28%).
- The Group general total provision is amounted to TL 23,576,964 (31 December 2023 - TL 20,952,466).
- As of 31 December 2023 Provision for probable risks in the Group's loan portfolio amount is not included (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Exposure Categories	Current Period		Prior Period	
	Risk Amount ^(*)	Average Risk Amount ^(**)	Risk Amount ^(*)	Average Risk Amount ^(**)
Conditional and unconditional receivables from central governments and Central Banks	476,269,315	399,142,925	280,531,959	225,715,086
Conditional and unconditional receivables from regional or local governments	189,547	195,597	179,707	220,863
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	912,902	858,591	726,920	643,521
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	202,641,542	132,163,805	70,003,545	77,197,587
Conditional and unconditional receivables from corporates	382,579,714	319,278,595	214,790,646	206,874,196
Conditional and unconditional receivables from retail portfolios	520,359,625	343,969,524	245,252,644	207,410,117
Conditional and unconditional receivables secured by mortgages	37,795,617	31,011,889	19,325,687	16,316,525
Past due receivables	5,218,586	3,283,376	1,865,492	1,526,563
Receivables defined in high risk category by BRSA	3,184,989	119,098,012	124,483,246	80,363,307
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment Funds	-	-	-	-
Investment in equities	18,107,568	15,570,999	8,296,731	6,289,869
Other receivables	51,299,642	38,207,339	32,446,174	27,637,321

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

^(**) The average risk amount was calculated by taking the arithmetic average of the values in the monthly reports prepared in balance sheet period in regards to “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the “Regulation”).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Profile of significant exposures in major regions

Current Period	Exposure Categories ^(*)																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
1. Domestic	476,269,315	189,547	912,902	-	-	112,914,180	378,455,952	520,275,885	37,728,260	5,210,399	3,184,989	-	-	-	-	18,107,568	51,299,643	1,604,548,640
2. European Union Countries	-	-	-	-	-	9,228,452	413,655	756	-	11	-	-	-	-	-	-	-	9,642,874
3. OECD Countries ^(**)	-	-	-	-	-	60,664,755	1,189,337	461	-	-	-	-	-	-	-	-	-	61,854,553
4. Offshore Banking Areas	-	-	-	-	-	13,685,788	218,371	794	-	1	-	-	-	-	-	-	-	13,874,954
5. USA, Canada	-	-	-	-	-	5,698,302	-	56	-	-	-	-	-	-	-	-	-	5,698,357
6. Other Countries	-	-	-	-	-	480,065	2,302,399	81,673	67,357	8,175	-	-	-	-	-	-	-	2,939,669
7. Associates, Subsidiaries and Joint - Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	476,269,315	189,547	912,902	-	-	202,641,542	382,579,714	520,359,624	37,795,617	5,218,586	3,184,989	-	-	-	-	18,107,568	51,299,643	1,698,559,047

Prior Period	Exposure Categories ^(*)																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
1. Domestic	280,531,959	179,707	726,920	-	-	12,665,899	213,029,724	245,148,479	19,179,526	1,865,251	124,443,016	-	-	-	-	8,296,731	32,446,174	938,513,386
2. European Union Countries	-	-	-	-	-	3,210,540	394,814	710	-	11	192	-	-	-	-	-	-	3,606,267
3. OECD Countries ^(**)	-	-	-	-	-	40,749,897	5,612	5,612	-	-	65	-	-	-	-	-	-	40,755,574
4. Offshore Banking Areas	-	-	-	-	-	7,797,239	230,343	994	926	-	8	-	-	-	-	-	-	8,029,570
5. USA, Canada	-	-	-	-	-	5,354,301	-	7	-	-	-	-	-	-	-	-	-	5,354,308
6. Other Countries	-	-	-	-	-	226,669	1,136,766	96,842	145,235	230	39,965	-	-	-	-	-	-	1,643,706
7. Associates, Subsidiaries and Joint - Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	280,531,959	179,707	726,920	-	-	70,003,545	214,790,646	245,252,644	19,325,687	1,865,492	124,483,246	-	-	-	-	8,296,731	32,446,174	997,902,751

(*) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". Prior to the Credit Risk Reduction, the risk amounts after the credit conversion rate are given.

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

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

- 1 - Conditional and unconditional receivables from central governments and Central Banks
- 2 - Conditional and unconditional receivables from regional or local governments
- 3 - Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4 - Conditional and unconditional receivables from multilateral development banks
- 5 - Conditional and unconditional receivables from international organizations
- 6 - Conditional and unconditional receivables from banks and brokerage houses
- 7 - Conditional and unconditional receivables from corporates
- 8 - Conditional and unconditional receivables from retail portfolios
- 9 - Conditional and unconditional receivables secured by mortgages
- 10 - Past due receivables
- 11 - Receivables defined under high risk category by BRSA
- 12 - Securities collateralized by mortgages
- 13 - Securitization positions
- 14 - Short-term receivables from banks, brokerage houses and corporates
- 15 - Investments similar to collective investment Funds
- 16 - Investment in equities
- 17 - Other receivable



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Risk profile regarding sectors or counter parties

Current Period	Exposure Categories ^(*)																Total				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		17	TL	FC	
Agriculture	-	-	220	-	-	-	2,232,624	1,501,985	326,893	15,604	3,721	-	-	-	-	-	-	2,429,890	1,651,157	4,081,047	
Farming and Raising Livestock	-	-	220	-	-	-	1,013,204	1,403,598	318,580	12,227	3,697	-	-	-	-	-	-	2,171,775	579,751	2,751,526	
Forestry	-	-	-	-	-	-	9,508	46,733	8,313	356	24	-	-	-	-	-	-	64,934	-	64,934	
Fishing	-	-	-	-	-	-	1,209,912	51,654	-	3,021	-	-	-	-	-	-	-	193,181	1,071,406	1,264,587	
Industrial	-	28,941	1,710	-	-	17	166,750,307	18,493,195	8,194,757	406,945	161,011	-	-	-	-	-	-	77,499,487	116,537,396	194,036,883	
Mining and Quarrying	-	-	-	-	-	-	1,502,690	410,188	54,580	7,610	937	-	-	-	-	-	-	1,267,254	708,751	1,976,005	
Production	-	-	1,710	-	-	17	154,587,088	17,881,574	7,901,835	396,539	160,074	-	-	-	-	-	-	73,176,819	107,202,018	180,928,837	
Electricity, Gas, Water	-	28,941	-	-	-	-	10,660,529	201,433	238,342	2,795	-	-	-	-	-	-	-	2,505,414	8,626,627	11,132,041	
Construction	-	10,000	-	-	-	-	20,614,388	10,657,286	4,501,333	76,602	233,015	-	-	-	-	-	-	26,209,242	9,883,382	36,092,624	
Services	207,612,400	-	5,656	-	-	-	192,423,692	43,640,961	21,686,785	724,135	2,780,930	-	-	-	-	450,000	-	375,138,421	236,991,517	612,129,938	
Wholesale and Retail Trade	-	-	4,975	-	-	2,567	64,026,375	31,535,018	7,679,749	243,982	27,402	-	-	-	-	-	-	80,701,395	22,818,673	103,520,068	
Hotel, Food and Beverage	-	-	-	-	-	-	7,253,379	445,158	7,167,643	1,518	19,602	-	-	-	-	-	-	1,887,927	12,999,373	14,887,300	
Transportation and Communication	-	-	-	-	-	-	36,665,781	4,980,806	636,555	13,442	2,713,751	-	-	-	-	-	-	8,593,043	36,417,292	45,010,335	
Financial Institutions	207,612,400	-	-	-	-	-	192,421,125	2,337,822	485,662	203,580	457	-	-	-	-	450,000	-	266,849,331	136,661,715	403,511,046	
Real Estate and Rent Services	-	-	176	-	-	-	18,533,125	796,311	4,798,913	447,345	-	-	-	-	-	-	-	6,027,900	18,547,970	24,575,870	
Self-Employment Services	-	-	328	-	-	-	3,212,951	2,946,434	709,582	13,729	-	-	-	-	-	-	-	4,848,889	2,034,135	6,883,024	
Educational Services	-	-	-	-	-	-	564,700	622,539	21,177	1,128	-	-	-	-	-	-	-	1,205,939	3,605	1,209,544	
Health and Social Services	-	-	177	-	-	-	10,211,246	1,829,033	469,586	2,534	20,175	-	-	-	-	-	-	5,023,997	7,508,754	12,532,751	
Other	268,656,915	150,606	905,316	-	-	10,217,833	50,177,016	446,066,198	3,085,849	3,995,300	6,312	-	-	-	-	-	-	17,657,568	775,304,702	76,913,853	
Total	476,269,315	189,547	912,902	-	-	202,641,542	382,579,714	520,359,625	37,795,617	5,219,586	3,184,989	-	-	-	-	-	-	18,107,568	51,299,642	1,256,561,742	
																				441,977,305	1,698,559,047

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

- 1 - Conditional and unconditional receivables from central governments and Central Banks
- 2 - Conditional and unconditional receivables from regional or local governments
- 3 - Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4 - Conditional and unconditional receivables from multilateral development banks
- 5 - Conditional and unconditional receivables from international organizations
- 6 - Conditional and unconditional receivables from banks and brokerage houses
- 7 - Conditional and unconditional receivables from corporates
- 8 - Conditional and unconditional receivables from retail portfolios
- 9 - Conditional and unconditional receivables secured by mortgages
- 10 - Past due receivables
- 11 - Receivables defined under high risk category by BRSA
- 12 - Securities collateralized by mortgages
- 13 - Securitization positions
- 14 - Short-term receivables from banks, brokerage houses and corporates
- 15 - Investments similar to collective investment Funds
- 16 - Investment in equities
- 17 - Other receivable



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Risk profile regarding sectors or counter parties

Prior Period	Exposure Categories ⁹⁾																	Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		TL	FC
Agriculture	-	-	220	-	-	1,372,803	1,450,668	202,236	10,116	120,996	-	-	-	-	-	-	-	2,299,298	857,741	3,157,039
Farming and Raising Livestock	-	-	220	-	-	770,471	1,387,433	189,870	10,103	79,688	-	-	-	-	-	-	-	2,076,085	361,700	2,437,785
Forestry	-	-	-	-	-	7,921	28,725	487	-	-	-	-	-	-	-	-	-	37,133	-	37,133
Fishing	-	-	-	-	-	594,411	34,910	11,979	13	41,308	-	-	-	-	-	-	-	186,080	496,041	682,121
Industrial	-	67,022	1,307	-	-	88,805,579	15,557,062	4,560,794	244,359	8,100,641	-	-	-	-	-	-	-	59,348,509	57,988,255	117,336,764
Mining and Quarrying	-	-	-	-	-	606,770	361,950	98,850	4,172	99,514	-	-	-	-	-	-	-	864,676	306,580	1,171,256
Production	-	-	-	-	-	76,635,643	14,902,859	4,453,717	240,159	7,626,584	-	-	-	-	-	-	-	56,537,451	49,322,818	105,860,269
Electricity, Gas, Water	-	67,022	-	-	-	9,563,166	292,253	8,227	28	374,543	-	-	-	-	-	-	-	1,946,382	8,358,857	10,305,239
Construction	-	-	-	-	-	10,988,520	8,036,313	2,324,963	101,768	1,000,935	-	-	-	-	-	-	-	17,187,711	5,264,788	22,452,499
Services	117,916,885	18,133	20,035	-	-	61,834,038	89,010,934	31,831,596	10,611,862	481,305	14,774,441	-	-	-	-	-	-	160,205,273	166,293,956	326,499,229
Wholesale and Retail Trade	-	-	3,460	-	-	31,246,955	23,834,435	4,118,558	101,993	11,929,287	-	-	-	-	-	-	-	59,432,710	11,795,888	71,227,998
Hotel, Food and Beverage	-	-	-	-	-	7,534,432	510,312	1,321,122	1,184	100,627	-	-	-	-	-	-	-	2,576,382	6,891,295	9,467,677
Transportation and Communication	-	18,133	-	-	-	28,214,276	3,037,774	207,460	3,940	449,133	-	-	-	-	-	-	-	5,464,842	26,465,874	31,930,716
Financial Institutions	117,916,885	-	-	-	-	61,834,038	1,224,877	322,499	9,880	39,870	-	-	-	-	-	-	-	82,346,896	99,001,528	181,348,424
Real Estate and Rent Services	-	-	-	-	-	11,543,322	542,206	4,555,635	364,856	1,185,242	-	-	-	-	-	-	-	3,022,112	15,169,049	18,191,161
Self-Employment Services	-	-	15,788	-	-	2,002,170	1,964,744	185,722	5,990	39,690	-	-	-	-	-	-	-	3,229,879	984,144	4,214,023
Educational Services	-	-	-	-	-	217,243	376,636	36,926	214	167,956	-	-	-	-	-	-	-	793,930	5,045	798,975
Health and Social Services	-	-	787	-	-	7027,659	1,242,990	183,359	2,834	862,626	-	-	-	-	-	-	-	3,339,122	5,981,133	9,320,255
Other	162,615,074	94,552	705,358	-	-	8,169,507	24,612,810	189,377,005	1,625,832	1,027,944	100,486,233	-	-	-	-	-	-	8,296,731	32,446,174	480,277,409
Total	280,531,959	179,707	726,920	-	-	70,003,545	214,790,646	245,252,644	19,325,687	1,865,492	124,483,246	-	-	-	-	-	-	719,318,200	278,584,551	997,902,751

⁹⁾ Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
- 3- Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4- Conditional and unconditional receivables from multilateral development banks
- 5- Conditional and unconditional receivables from international organizations
- 6- Conditional and unconditional receivables from banks and brokerage houses
- 7- Conditional and unconditional receivables from corporates
- 8- Conditional and unconditional receivables from retail portfolios
- 9- Conditional and unconditional receivables secured by mortgages
- 10- Past due receivables
- 11- Receivables defined under high risk category by BRSA
- 12- Securities collateralized by mortgages
- 13- Securitization positions
- 14- Short-term receivables from banks, brokerage houses and corporates
- 15- Investments similar to collective investment funds
- 16- Investment in equities
- 17- Other receivable



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Analysis of maturity-bearing exposures according to remaining maturities^(*)

Current Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	1,019,959	2,546,318	8,570,760	2,492,804	242,651,344
Conditional and unconditional receivables from regional or local governments	12,091	13,740	1,974	-	161,741
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	112,024	499,553	-	14,102	230,504
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	106,529,625	26,739,749	20,712,503	4,786,213	6,828,731
Conditional and unconditional receivables from corporates	38,888,093	55,390,172	50,404,216	72,912,683	137,741,458
Conditional and unconditional receivables from retail portfolios	28,976,331	40,810,832	47,236,500	104,997,882	66,162,567
Conditional and unconditional receivables secured by mortgages	1,220,660	1,819,359	3,115,075	6,901,512	24,209,997
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	5,290	2,706,375	31,973	10,069	200,095
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment Funds	-	-	-	-	-
Investment in equities	450,000	-	-	-	-
Other receivables	-	-	-	-	-
General Total	177,214,073	130,526,098	130,073,001	192,115,265	478,186,437

^(*) Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Analysis of maturity-bearing exposures according to remaining maturities^(*) (Continued)

Prior Period Risk Classification	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2,142,465	2,159,983	3,044,119	3,022,874	143,915,428
Conditional and unconditional receivables from regional or local governments	-	3,068	18,133	5,810	152,662
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	118,871	230,211	93,011	298	226,289
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	12,141,090	23,077,046	5,091,847	3,553,066	7,858,614
Conditional and unconditional receivables from corporates	24,746,829	28,635,021	26,674,387	34,576,841	81,542,333
Conditional and unconditional receivables from retail portfolios	24,333,324	28,200,984	27,036,780	37,108,352	22,971,760
Conditional and unconditional receivables secured by mortgages	776,408	1,179,916	2,424,765	3,632,690	10,814,207
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	3,461,920	8,944,472	8,970,825	28,862,822	40,856,560
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment Funds	-	-	-	-	-
Investment in equities	-	-	-	-	-
Other receivables	-	-	-	-	-
General Total	67,720,907	92,430,701	73,353,867	110,762,753	308,337,853

^(*) Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Exposures by risk weights

Current Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	500%	Deductions 2% from Equity	
1.Exposures Before Credit Risk Mitigation	487,697,544	-	148,547,875	1,975	94,886,367	530,581,348	433,571,501	289,273	-	-	2,895,716	87,447	6,165,167
2.Exposures After Credit Risk Mitigation	488,898,406	-	39,959,770	5,661,263	79,452,932	514,922,741	405,740,518	286,743	-	-	2,895,716	87,447	6,165,167

Prior Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	500%	Deductions 2% from Equity	
1.Exposures Before Credit Risk Mitigation	289,534,217	-	35,226,938	9,250	56,398,485	214,653,419	277,444,109	100,634,666	23,345,906	-	502,674	153,086	4,083,243
2.Exposures After Credit Risk Mitigation	290,551,436	-	28,005,412	2,838,532	46,423,000	202,713,498	263,442,092	100,573,014	23,345,906	-	502,674	153,086	4,083,243

Information by major sectors and type of counterparties

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Section IV Part 2.

Current Period	Loans ^(*)		Provisions		
	Impaired Loans (IFRS 9) Significant Increase of Credit Risk (Stage 2)	Default (Stage 3)	Non-Performing (Regulation of Provision)	Expected Credit Loss Provisions (IFRS 9)	(Regulation of Provision)
Major Sectors/Counterparties					
1. Agriculture	139,402	146,058	-	133,206	-
1.1. Farming and Livestock	136,421	135,275	-	124,992	-
1.2. Forestation	1,920	1,364	-	1,739	-
1.3. Fishing	1,061	9,419	-	6,475	-
2. Industrial	5,922,758	2,482,557	-	2,573,661	-
2.1. Mining and Quarrying	17,748	62,919	-	51,091	-
2.2. Manufacturing Industry	5,891,976	2,344,854	-	2,449,516	-
2.3. Electricity, Gas, Water	13,034	74,784	-	73,054	-
3. Construction	2,752,888	746,352	-	1,488,687	-
4. Services	26,254,133	3,458,718	-	7,582,775	-
4.1. Wholesale and Retail Commerce	5,269,948	2,108,864	-	2,224,227	-
4.2. Hotel and Restaurant Services	1,902,621	147,768	-	312,711	-
4.3. Transportation and Communication	867,145	179,515	-	237,112	-
4.4. Financial Corporations	32,392	10,252	-	12,696	-
4.5. Real Estate and Loan Services	17,189,204	855,034	-	4,489,187	-
4.6. Independent Business Services	296,293	96,070	-	109,882	-
4.7. Education Services	61,232	18,667	-	22,260	-
4.8. Health and Social Services	635,298	42,548	-	174,700	-
5. Other	61,692,119	18,526,787	-	21,183,292	-
6. Total	96,761,300	25,360,472	-	32,961,621	-

(*) Represents the distribution of cash loans.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Information by major sectors and type of counterparties (Continued)

Prior Period Major Sectors/Counterparties	Loans ^(*)		Non-Performing (Regulation of Provision)	Provisions	
	Significant Increase of Credit Risk (Stage 2)	Impaired Loans (TFRS 9) Default (Stage 3)		Expected Credit Loss Provisions (TFRS 9)	(Regulation of Provision)
1. Agriculture	85,292	171,229	-	163,659	-
1.1. Farming and Livestock	79,511	169,235	-	160,862	-
1.2. Forestation	3,493	104	-	600	-
1.3. Fishing	2,288	1,890	-	2,197	-
2. Industrial	3,511,009	1,989,222	-	2,131,270	-
2.1. Mining and Quarrying	13,637	45,310	-	42,531	-
2.2. Manufacturing Industry	3,472,217	1,884,024	-	2,020,523	-
2.3. Electricity, Gas, Water	25,155	59,888	-	68,216	-
3. Construction	2,084,607	811,055	-	1,340,627	-
4. Services	26,413,751	2,894,840	-	7,318,853	-
4.1. Wholesale and Retail Commerce	4,641,187	1,503,575	-	1,852,021	-
4.2. Hotel and Restaurant Services	1,774,322	146,604	-	479,597	-
4.3. Transportation and Communication	460,093	107,785	-	172,208	-
4.4. Financial Corporations	13,360	9,945	-	10,850	-
4.5. Real Estate and Loan Services	17,949,561	825,889	-	4,088,696	-
4.6. Independent Business Services	709,728	232,558	-	420,986	-
4.7. Education Services	44,752	28,043	-	33,671	-
4.8. Health and Social Services	820,748	40,441	-	260,824	-
5. Other	31,360,317	5,121,995	-	9,003,124	-
6. Total	63,454,976	10,988,341	-	19,957,533	-

^(*) Represents the distribution of cash loans.

Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(**)	Closing Balance
1. Stage 3 Provisions ^(**)	8,880,283	13,484,650	(767,517)	(1,922,633)	19,674,783
2. Stage 1 and 2 Provisions	18,962,257	10,024,049	(7,071,459)	-	21,914,847

^(*) Represents the provision of loans written-off or sold.

^(**) Demonstrates provision movement of Stage 3 cash loans.

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(**)	Closing Balance
1. Stage 3 Provisions ^(**)	7,829,033	2,992,590	(1,033,008)	(908,332)	8,880,283
2. Stage 1 and 2 Provisions	9,406,590	11,361,163	(1,805,496)	-	18,962,257

^(*) Represents the provision of loans written-off or sold.

^(**) Demonstrates provision movement of Stage 3 cash loans.

Exposures subject to countercyclical capital buffer

The exposures subject to countercyclical capital buffer table prepared in accordance with the communiqué “Regulation on Capital Conservation and Countercyclical Capital Buffers of Banks” published in the Official Gazette No. 28812 dated 5 November 2013 is presented below:



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

1. Consolidated credit risk explanations (Continued)

Information on private sector receivables

Current Period	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	931,809,361	-	931,809,361
Malta	1,559,875	-	1,559,875
Other	815,841	-	815,841
Total	934,185,077	-	934,185,077

Prior Period	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	721,439,401	-	721,439,401
Malta	591,450	-	591,450
Other	418,293	-	418,293
Total	722,449,144	-	722,449,144

2. Risk Management and General Disclosures regarding Risk Weighted Amounts

2.1. GBA - Risk management approach of the group

a) The way risk profile of the Group is determined by business model and the interaction between (e.g. key risks related to business model and in which way those risks are reflected to disclosures) and in which way the risk profile of the Group is related to risk appetite approved by board of directors

Group acknowledges that business and strategy risks are material since the Group's growth oriented business plan is sensitive to changes in market conditions. From this point of view, Group classifies business and strategy risk as an important risk. Group reviews its 5 year long term business plans once a year periodically. If the economic developments and market conditions require, then business plans are reviewed and revised more often.

b) Risk management structure: Allocation of responsibilities in the Group (e.g. supervision and delegation of authorization; separation of responsibilities with respect to their risk type, business unit etc.; relations between structures included in risk management processes [e.g. board of directors, senior management, separate risk committee, risk management unit, legal compliance, internal audit function])

Group's risk measurement, monitoring, and control functions have clearly defined responsibilities that are sufficiently independent from position/risk taking functions. Risk exposures are directly reported to Senior Management and the Board of Directors/Board Risk Committee. Group's internal control systems are designed to provide adequate segregation of duties, in order to prevent conflicts of interest with respect to the distinct functions of undertaking, approving, monitoring and controlling risks. In particular the functions that undertake transactions (front line) are administratively and operationally separate from the functions of, confirmation, accounting and settlement of transactions, as well as the safekeeping of the assets of the Group or its customers.

Risk management governance at the Group starts with the Board of Directors. The Board Risk Committee (“BRC”), Audit Committee (the “AC”), Assets and Liabilities Committee (the “ALCO”), Corporate and Retail Credit Policy Committee (“CPC”), Operational Risk Management Committee (“ORC”), Reputation Risk Management Committee and Risk Management Department are the important bodies of the risk management structure. The Board of Directors determines the general risk policy and the risk appetite of the Group.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the group (Continued)

b) Risk management structure: Allocation of responsibilities in the Group (e.g. supervision and delegation of authorization; separation of responsibilities with respect to their risk type, business unit etc.; relations between structures included in risk management processes [e.g. board of directors, senior management, separate risk committee, risk management unit, legal compliance, internal audit function]) (Continued)

The AC is responsible for supervising whether the Group complies with the provisions of applicable risk management legislation, and the internal risk management policies and procedures approved by the BoD. The AC reviewing whether the Group has the methods, instruments and procedures required for identifying, measuring, monitoring and controlling the risk exposures of the Group,

The ALCO, meeting monthly, is responsible for monitoring and managing the structural asset-liability mismatches of the Group, as well as monitoring and controlling liquidity risk and foreign currency exchange risk.

The CPC meets monthly and is responsible for monitoring and evaluating the Group's lending portfolio and determining principles and policies regarding the credit risk management processes such as loan approval, limit setting, rating, monitoring and problem management. The ORMC meets every three months and is responsible for reviewing operational risk issues of the Group and defining the necessary actions to be taken to minimize these risks. The Reputation Risk Management Committee is established to identify, evaluate and monitor the reputational risks that the Group is exposed to and to take necessary actions to prevent risks and meets quarterly.

The Risk Management Department, working independently from the executive functions and reporting to the Board of Directors, is organized under three main section as market risk, credit risk, operational risk and model validation, each having responsibility for identifying, measuring, monitoring, controlling and managing the relevant risks as well as for model validation, assessing the predictive ability of risk estimates and the use of ratings in credit processes.

The Compliance function is ensuring, through proper procedures, that the requirements and deadlines provided for by the regulatory framework in force are observed. In doing so, the compliance function informs all Group employees on the relevant changes to the regulatory framework and provides guidance on the required changes to internal rules and processes. Moreover, the Compliance function cooperates as appropriate with the Risk Management unit, as compliance risk is considered a subcategory of operational risk.

Internal audit function acts as one of the three lines of defense of Group risk Management model and provides the independent review function. Risk assessments at internal audit are carried out by internal audit department by paying attention to exposures that Group has and controls relevant to them during audit works.

c) Channels which are used to extend and apply risk culture in the Group (e.g. behavior rules, manuals including operation limits or procedures which shall be applied when the risk limits are exceeded, procedures regarding sharing of risk matters between business units and risk units)

The Risk Appetite Statement stands out as the basic risk management policy document in which the Group defines its risks and determines its risk appetite and management principles. It also defines current and targeted risk profile and appetite, risk management organization, and core risk management capabilities.

Corporate and Retail Loan Policies and application directions also determines the Group's credit risk management workflow and procedures.

TFRS 9 Impairment Policy is to define TFRS 9 Impairment and related activities to be performed in accordance with the requirements of TFRS 9 Implementation Guide. The policy is to determine the roles and responsibilities of the Group units within the framework of TFRS 9, to determine the changes specific to TFRS 9 apart from the existing credit policy guidelines, to establish guidelines for TFRS 9 risk monitoring, control and reporting activities, and to establish the TFRS 9 Impairment framework applied within the Group. aims to provide.

Corporate Rating Governance Policy regulates the internal governance framework for corporate and commercial segment risk rating system operations.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the group (Continued)

c) Channels which are used to extend and apply risk culture in the Group (e.g. behavior rules, manuals including operation limits or procedures which shall be applied when the risk limits are exceeded, procedures regarding sharing of risk matters between business units and risk units) (Continued)

Capital Management Policy sets a framework for managing capital requirements and adequacy assessment, capital planning, capital measurement and monitoring, capital allocation, risk-adjusted aims to establish performance measurement and pricing principles.

Counterparty Credit Risk Policy, the risk strategy determined by the Bank with risk policies and local legislation in comply with effective and sufficient counterparty credit risk management with caution, constant to establish based on the principles of applicability.

The Enterprise Risk Management Policy aims to coordinate the Group's risk management activities, establish the necessary standards and optimize performance and decision-making through the classification of risks and developing a structured approach for the Group to address these risks.

(Corporate Tax Law 5.1/E)

Country Risk Policy is to set a consistent framework for the identification, management and reporting of country risk that QNB Bank is exposed to through its counterparties in different countries.

The Market Risk Management Policy determines the key principles underlying the operations of the Group in money and capital markets including limit structure.

Banking Account Interest Rate Risk (BHFOR) Policy sets the basic principles for the management of interest rate risk related to banking activities other than trading accounts.

The liquidity policy outlines the Group's view and identifies the guidelines for incurring, retaining and managing liquidity risk.

The Fair Value Policy aims to define the main principles, roles and responsibilities for measuring the fair value of financial instruments in accordance with accounting provisions and regulatory principles.

Investment Portfolio Risk Policy ensures that the activities related to the management of the Group's investment portfolio are carried out in accordance with generally accepted practices. This policy explains the objectives and targets of the investment portfolio, whose management is given to the Treasury Trading and Asset-Liability Management units by the Asset-Liability Committee (ALCO). It also defines the management and risk control framework for managing and maintaining the investment portfolio.

The Operational Risk Management Policy ensures that all the Group's stakeholders manage operational risk within a formalized framework aligned to business objectives.

Reputation Risk Policy, identifies the rules and frame of managing the reputation risk.

The Environmental and Social Risk Policy (Policy) sets forth QNB Bank's approach to environmental and social issues in line with the sustainability policy, strategy and ESG (Environmental, Social, Governance) commitments of QNB Group and QNB Bank.

d) Key elements and scope of risk measurement systems

Consistent across the Group internal risk rating systems appropriate to the nature, size and complexity of each activity and fully integrated in credit processes. The internal risk rating system employs appropriate credit risk rating models the scope and coverage of which are adequate to accommodate the Group's strategic aspirations and regulatory requirements. In particular, the Group's internal rating systems form the basis of capital assessment and allocation and constitute a key element of risk adjusted performance measurement, pricing and profitability measurement.

QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the group (Continued)

d) Key elements and scope of risk measurement systems (Continued)

Information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities, providing adequate information on the composition of the credit portfolio of the Group, including identification of any concentrations of risk.

The Market Risk Management Policy determines the key principles underlying the operations of the Group in money and capital markets. Key principles of Market Risk Management Framework are:

The Board Risk Committee is responsible for ensuring that market risk strategy and policy are consistently implemented. This includes:

- Implementation of the market risk management policy;
- Designation of risk limits;
- Definition of responsibilities for every unit involved in market risk management;
- Ongoing market risk monitoring and control, ensuring that risk appetite remains within the approved limits;
- Setting up appropriate IT systems for evaluating and monitoring the risks taken;
- Setting up standard models for market risk positions valuation and performance evaluation;
- Setting up comprehensive reporting and internal control systems;
- Providing for the maintenance of an adequate level of regulatory capital against the market risk undertaken; and
- Providing for the disclosure of information regarding the type and level of the market risk assumed and for the implementation of policies for the management thereof.

e) Disclosures regarding risk reporting processes provided to Board of Directors and senior management (especially on the scope and main content of reporting)

Monthly risk reports are submitted to the Board of Directors and Board Risk Committee. These executive reports include information related to capital adequacy, Market Risk, Credit Risk, Counterparty Credit Risk and Operation Risk.

Credit Risk section of the report consists of three main sub sections such as general Outlook, business Loans and retail Loans, and include:

- Basic risk appetite parameters in the Group Risk Management Strategy;
- Exposures by segments, monthly and annual changes, portfolio growth;
- Sector concentration and risk metrics;
- Delinquency amounts, product types and delinquencies by segments, new NPLs and recoveries from NPLs;
- Detailed watch list analyses for business segments;
- Rating distributions, PD distributions, expected loss trend, collateral structure;
- New NPLs, vintage analyses, recoveries by segments and products;
- Restructured credits by segments;
- Derivative products exposures by segments, stress testing; and
- Credit risk information regarding subsidiaries.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the group (Continued)

e) Disclosures regarding risk reporting processes provided to Board of Directors and senior management (especially on the scope and main content of reporting) (Continued)

The Market Risk Management Division informs and reports to the senior management, including the Board member responsible for internal systems, about the market and counterparty risks of trading accounts and the securities portfolio.

Reports are prepared daily and indicatively include the following:

- Estimation of the VaR on aggregate basis and by type of risk (interest rate, FX, equity);
- Estimation of Stress VaR on aggregate basis and by type of risk (interest rate, FX, equity);
- Sensitivity of the Trading Book and AFS portfolio;
- Nominal values of bond portfolios;
- A breakdown of the portfolio and the relevant limits utilization;
- Utilization of limits on option Greeks; and
- Estimation of the VaR on subsidiaries.

In addition, Board of Directors Risk Committee Report is prepared monthly in a way covering abovementioned market risk metrics and stress tests in order to be presented to Board of Directors and Risk Committee.

Operational Risk segment reporting broadly covers the following:

- Operational risk loss events experienced in the group;
- Key risk indicators and risk metrics; and
- Action tracking.

f) Disclosures regarding stress test (e.g. assets included in stress test, adapted scenarios and used methodologies and use of stress test in risk management)

Stress tests constitute the center of capital planning within the scope of the Group's APICA (Assessment Process of Internal Capital Adequacy). The Bank's general principles on the stress testing framework can be summarized as follows:

- Comprehensive stress testing, aggregated per risk category, is conducted at least annually on year end data and business plan;
- Stress testing is integrated to the ICAAP document which is subject to Board of Directors approval;
- A historical scenario is selected as an anchor scenario to be used on the construct of base adverse scenario for the stress test use. However, final scenario is applied by enriching with hypothetical components as independent from anchor scenario;
- Bank's stress testing framework encompasses sensitivity tests;
- The impact of the stress testing on the Group's financial strength and capital position are analyzed through some key ratios and key items including but not limited to the following: Non-performing Loan Ratio, Return of Equity, Return on Asset, Leverage Ratio, Core Tier I Ratio, Capital Adequacy Ratio, Loan Balances, Balance Sheet Items, Statement of Profit or Loss Items;
- The stress testing framework also includes reverse stress tests, where scenarios and shocks that could lead to the failure of the Group are quantitatively or qualitatively outlined.

In scenarios using stress testing, as a result of increase in non-performing loans due to significant deterioration in asset quality and a decrease in capital adequacy, The Group's ability to meet capital-strengthening actions and cash outflows that may occur in case of a possible liquidity crisis were tested. In this context, when potential risks are assessed, it is believed that the Group has sufficient capacity for actions that may be taken.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

2. Risk Management and General Disclosures Regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the group (Continued)

f) Disclosures regarding stress test (e.g. assets included in stress test, adapted scenarios and used methodologies and use of stress test in risk management) (Continued)

Market Risk Management defines the stress test approaches as below:

- To move the risk factors parallel in one direction;
- To move the risk factors non parallel; and
- To perform tests to the existing portfolio based on past extreme situations.

Trading book consists of Financial Assets at Fair Value Through Profit or Loss securities, Financial Assets at Fair Value Through Profit or Loss derivatives and open currency positions which are clearly defined in Market Risk Management Policy.

Within the scope of liquidity stress test to identify possible sources of liquidity weaknesses, scenarios that are specific to the bank, related to the market in general and taking both situations into account have been defined. Thus, the Group's ability to meet its obligations during a funding crisis is tested. The Group has had four different stress tests measuring how much it can meet its promises, without providing any new funds from the market or at very low levels of funds, cumulative cash outflows. For effective and sufficient liquidity risk management, the stress tests in question have been created based on crisis scenarios specific to the group, a general market crisis scenario, and a combined scenario in accordance with the “Guidance on Liquidity Risk Management”.

g) Risk management, protection and mitigation strategies and process of the Group sourcing from its business model and Monitoring processes of continuing effects of protection and mitigation

Forecasts related to effectiveness of credit risk mitigation methods and collection ability of the Group associated with miscellaneous collateral types are stated with consideration ratios on the basis of collaterals. The aforementioned ratios are determined based on long term historical observations of the Group and judgement of expert business units and most importantly with precautionary principle.

Likewise, conservatism is also embedded in regulatory rules through respective haircuts, collateral eligibility requirements and so forth. Furthermore, the collaterals used as a risk mitigant in the Bank's capital adequacy calculations are predominantly cash or equivalent collaterals. The treatment of cash collaterals is straight forward, issues about recovery, and valuation are not relevant.

Regarding the exposure secured with mortgages, the new capital adequacy regime with Basel II increased the operational requirements for the recognition.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

2. Risk Management and General Disclosures regarding Risk Weighted Amounts (Continued)

2.1. GBA - Risk management approach of the group (Continued)

GB1 - Overview of risk weighted assets

		Risk Weighted Assets		Minimum Capital Requirements	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
1.	Credit risk (excluding counterparty credit risk)	844,020,318	636,874,183	67,521,625	50,949,935
2.	Standardised approach	844,020,318	636,874,183	67,521,625	50,949,935
3.	Internal rating-based approach	-	-	-	-
4.	Counterparty credit risk	13,797,174	10,375,705	1,103,775	830,056
5.	Standardised approach for counterparty credit risk	13,797,174	10,375,705	1,103,775	830,056
6.	Internal model method	-	-	-	-
7.	Basic risk weight approach to internal models equity position in the banking account	-	-	-	-
8.	Investments made in collective investment companies - look-through approach	-	-	-	-
9.	Investments made in collective investment companies - mandate-based approach	-	-	-	-
10.	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-	-
11.	Settlement risk	-	-	-	-
12.	Securitisation exposures in banking accounts	-	-	-	-
13.	IRB ratings-based approach	-	-	-	-
14.	IRB Supervisory Formula Approach	-	-	-	-
15.	SA/simplified supervisory formula approach	-	-	-	-
16.	Market risk	13,901,063	16,592,375	1,112,085	1,327,390
17.	Standardised approach	13,901,063	16,592,375	1,112,085	1,327,390
18.	Internal model approaches	-	-	-	-
19.	Operational risk	80,878,830	42,831,521	6,470,306	3,426,522
20.	Basic Indicator Approach	80,878,830	42,831,521	6,470,306	3,426,522
21.	Standardised Approach	-	-	-	-
22.	Advanced Measurement Approach	-	-	-	-
23.	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-	-
24.	Floor adjustment	-	-	-	-
25.	TOTAL(1+4+7+8+9+10+11+12+16+19+23+24)	952,597,385	706,673,784	76,207,791	56,533,903



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

3. Linkages between financial statements and risk amounts

3.1. B1- Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts

Current Period Assets	Carrying values in financial statements prepared as per TAS	Carrying values in accordance legal consolidation prepared as per TAS	Carrying values of items in accordance with TAS			
			Subject to credit risk	Subject to counterparty credit risk	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Cash and Balances with the Central Bank	253,091,118	253,074,114	253,083,919	-	-	-
Trading Financial Assets ^(*)	5,065,339	5,065,338	-	5,059,049	2,145,038	-
Financial Assets at Fair Value Through Profit or Loss	14,904,300	15,011,377	-	-	12,284,916	-
Banks	21,494,352	20,674,396	20,699,385	-	-	-
Money Market Placements	601,107	601,107	601,107	-	-	-
Financial Assets Available-for-Sale (Net)	142,888,832	142,835,095	142,835,095	88,992,233	-	-
Loans and Receivables	856,843,144	856,706,434	878,356,981	-	-	264,300
Factoring Receivables	26,791,720	27,118,301	27,118,301	-	-	-
Held-to-Maturity Investments (Net)	129,275,835	129,275,836	129,293,543	89,940,323	-	-
Investment in Associates (Net)	-	57,641	57,641	-	-	-
Investment in Subsidiaries (Net)	-	506,046	506,046	-	-	-
Investment in Joint ventures (Net)	108,010	2,800	2,800	-	-	-
Lease Receivables	29,461,874	27,375,717	27,375,717	-	-	-
Derivative Financial Assets Held for Hedging ^(*)	5,966,040	5,966,040	-	5,966,040	-	-
Property and Equipment (Net)	10,539,170	22,014,499	21,488,792	-	-	525,707
Intangible Assets (Net)	6,473,439	5,964,071	588,911	-	-	5,375,160
Investment Property (Net)	-	-	-	-	-	-
Tax Asset	5,216,595	5,492,011	5,492,011	-	-	-
Assets Held for Resale and Related to Discontinued Operations (Net)	-	-	-	-	-	-
Other Assets	30,259,706	37,351,704	37,377,092	-	-	-
Total Assets	1,538,980,581	1,555,092,527	1,544,877,341	189,957,645	14,429,954	6,165,167
Liabilities						
Deposits	823,604,713	878,434,725	-	-	-	-
Derivative Financial Liabilities Held for Trading ^(**)	7,198,501	7,198,501	-	-	4,332,026	-
Funds Borrowed	173,934,516	186,394,699	-	-	-	-
Money Markets	207,365,352	149,765,326	-	145,158,385	-	-
Marketable Securities Issued	83,079,626	72,613,256	-	-	-	-
Funds	-	-	-	-	-	-
Miscellaneous Payables ^(***)	54,041,969	58,005,694	-	-	-	-
Other Liabilities ^(***)	29,401,992	24,241,777	-	-	-	-
Factoring Payables	-	-	-	-	-	-
Lease Payables	1,736,586	1,736,586	-	-	-	-
Derivative Financial Liabilities Held for Hedging ^(**)	4,135,517	4,135,517	-	-	-	-
Provisions	9,045,227	17,282,733	-	-	-	-
Tax Liability	4,450,011	3,954,228	-	-	-	-
Liabilities for Property and Equipment Held for Sale and Related to Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Loans	32,298,839	32,298,839	-	-	-	-
Shareholders' Equity	108,687,732	119,030,646	-	-	-	-
Total Liabilities	1,538,980,581	1,555,092,527	-	145,158,385	4,332,026	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

3. Linkages between financial statements and risk amounts (Continued)

3.1. B1- Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts (Continued)

Prior period	Carrying values in financial statements prepared as per TAS	Carrying values in accordance legal consolidation prepared as per TAS	Carrying values of items in accordance with TAS			Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk	Subject to counterparty credit risk	Subject to market risk	
Assets						
Cash and Balances with the Central Bank	162,571,896	162,561,639	162,569,574	-	-	-
Trading Financial Assets ^(*)	5,711,926	5,711,926	-	5,714,663	2,289,167	-
Financial Assets at Fair Value Through Profit or Loss	4,833,030	5,705,925	-	-	2,210,600	-
Banks	18,530,481	17,799,913	17,822,472	-	-	-
Money Market Placements	5,736,434	5,736,434	5,435,353	301,081	-	-
Financial Assets Available-for-Sale (Net)	69,364,150	69,310,430	69,310,430	9,860,710	-	-
Loans and Receivables	565,410,752	565,257,143	584,160,006	-	-	59,395
Factoring Receivables	15,270,570	15,495,346	15,495,346	-	-	-
Held-to-Maturity Investments (Net)	102,145,753	102,145,754	102,171,752	30,062,937	-	-
Investment in Associates (Net)	-	57,084	57,084	-	-	-
Investment in Subsidiaries (Net)	-	128,046	128,046	-	-	-
Investment in Joint ventures (Net)	64,368	2,800	2,800	-	-	-
Lease Receivables	22,800,264	21,993,677	21,993,677	-	-	-
Derivative Financial Assets Held for Hedging ^(*)	7,269,024	7,269,024	-	7,269,024	-	-
Property and Equipment (Net)	6,793,530	14,820,382	14,610,601	-	-	209,781
Intangible Assets (Net)	4,013,971	3,814,068	-	-	-	3,814,067
Investment Property (Net)	-	-	-	-	-	-
Tax Asset	6,796,452	6,789,895	6,789,895	-	-	-
Assets Held for Resale and Related to Discontinued Operations (Net)	-	-	-	-	-	-
Other Assets	14,776,208	18,822,693	18,845,374	-	-	-
Total Assets	1,012,088,809	1,023,422,179	1,019,392,410	53,208,415	4,499,767	4,083,243
Liabilities						
Deposits	638,492,607	630,727,536	-	-	-	-
Derivative Financial Liabilities Held for Trading ^(**)	4,165,100	4,165,100	-	-	1,687,400	-
Funds Borrowed	126,871,273	127,865,163	-	-	-	-
Money Markets	31,124,580	31,098,347	-	31,098,347	-	-
Marketable Securities Issued	51,989,913	52,036,959	-	-	-	-
Funds	-	-	-	-	-	-
Miscellaneous Payables ^(***)	30,720,075	38,771,266	-	-	-	-
Other Liabilities ^(***)	18,751,130	10,326,409	-	-	-	-
Factoring Payables	-	-	-	-	-	-
Lease Payables	1,173,271	1,173,271	-	-	-	-
Derivative Financial Liabilities Held for Hedging ^(**)	830,629	830,629	-	-	-	-
Provisions	4,367,829	15,350,688	-	-	-	-
Tax Liability	2,788,501	2,493,475	-	-	-	-
Liabilities for Property and Equipment Held for Sale and Related to Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Loans	26,948,856	26,948,856	-	-	-	-
Shareholders' Equity	73,865,047	81,634,480	-	-	-	-
Total Liabilities	1,012,088,811	1,023,422,179	-	31,098,347	1,687,400	-

^(*) Financial assets held for trading and derivative financial assets for hedging purposes are included in the “Derivative Financial Assets” item in the financial statements.

^(**) Financial liabilities held for trading and derivative financial liabilities for hedging purposes are included in the “Derivative Financial Liabilities” item in the financial statements.

^(***) Miscellaneous payables and other liabilities are presented under “Other Liabilities” items in the financial statements.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

3. Linkages between financial statements and risk amounts (Continued)

3.2. B2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	Current period	Total	Subject to Credit Risk	Subject to the Securitization	Subject to Counterparty Credit Risk	Subject to Market Risk
1.	Asset carrying value amount under scope of regulatory consolidation (as in template B1)	1,749,264,940	1,544,877,341	-	189,957,645	14,429,954
2.	Liabilities carrying value amount under regulatory scope of consolidation (as in template B1)	149,490,411	-	-	145,158,385	4,332,026
3.	Total net amount under regulatory scope of consolidation	1,599,774,529	1,544,877,341	-	44,799,260	10,097,928
4.	Off-Balance Sheet Amount	1,215,911,958	112,135,675	-	-	-
5.	Differences due to different netting rules (except 2)	3,803,135	-	-	-	3,803,135
6.	Differences due to institutions applications	(146,482,796)	(134,041,153)	-	(12,441,643)	-
7.	Differences due to credit risk reduction	(17,423,944)	(17,423,944)	-	-	-
	Risk amounts	2,651,779,748	1,505,547,919	-	32,357,617	13,901,063

	Prior Period	Total	Subject to Credit Risk	Subject to the Securitization	Subject to Counterparty Credit Risk	Subject to Market Risk
1.	Asset carrying value amount under scope of regulatory consolidation (as in template B1)	1,077,604,767	1,019,392,410	-	53,208,415	5,003,942
2.	Liabilities carrying value amount under regulatory scope of consolidation (as in template B1)	34,614,022	-	-	31,098,347	3,515,675
3.	Total net amount under regulatory scope of consolidation	1,042,990,745	1,019,392,410	-	22,110,068	1,488,267
4.	Off-Balance Sheet Amount	779,731,809	76,680,911	-	-	-
5.	Differences due to different netting rules (except 2)	8,562,008	-	-	-	8,562,008
6.	Differences due to institutions applications	(145,197,192)	(147,569,936)	-	2,372,744	-
7.	Differences due to credit risk reduction	(14,437,547)	(14,437,547)	-	-	-
	Risk amounts	1,671,649,823	934,065,838	-	24,482,812	10,050,275

3.3. BA - Disclosures regarding differences between amounts valued according to TAS and risk exposures

a) None.

b) There is no significant difference between amounts valued in accordance with TAS included in B2 and risk exposures except for “Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)”. There is a significant difference between amounts valued according to TAS and risk exposures, since the securities which are subject to repurchase that include in Money Market Payables account item are subject to counter party risk.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

3. Linkages between financial statements and risk amounts (Continued)

3.3. BA - Disclosures regarding differences between amounts valued according to TAS and risk exposures (Continued)

c) Valuation methodologies regarding the disclosure related to use of Market Value and Model Value

In general terms, market risk is the possibility of making loss as a result of changes occurring in the current market values of financial assets and positions in the Group's trading accounts. In this framework, the following elements of the Group, which must be reflected on balance sheet over their current market values (market to market), are included in market risk:

- Equity shares included in trading, investment fund participation documents, securities such as bonds and bills;
- Open foreign exchange position with respect to each foreign currency; and
- Derivative contracts (forwards) sensitive to interest changes and concluded for trading, future transactions, simple or complex options, swaps, credit derivatives are subject to market risk. Classification of Trading Accounts are made in accordance with Appendix-3 of Regulation on Measurement and Evaluation of Bank's Capital Adequacy.

The Group calculates its value at market risk with standard method in the framework of “Regulation on Measurement and Evaluation of Bank's Capital Adequacy”. Accordingly, capital requirement is reached through multiplying of total of general market risk, commodity risk, settlement risk, option risk to 12.5.

The Group's market risk basis value is reached by determining the amounts related to market risk. The details of the analysis are as follows:

- Commodity risk analysis: Simplified approach (Standard method);
- Interest rate risk analysis: General Market Risk Calculation (Standard method - maturity approach) - Specific risk calculation (Standard method);
- Equity shares risk analysis: Position risk in equity share investments (Standard method);
- Exchange rate exposure analysis (Standard method); and
- Option risk analysis: Weighting method with delta factor (Standard method).

Securities such as equity share, bond and bills, whose market prices are monitored directly, and derivative products such as futures, which are traded in stock exchange, are reviewed over their transaction prices as of reporting date. If a security included in Financial Assets at Fair Value through Profit/Loss portfolio cannot be treated as of reporting date, it is evaluated over the price determined in scope of precautionary principles.

Market value of products, which are traded at over the counter markets such as forward foreign exchange, foreign exchange swaps and interest swaps, are calculated in line with discounting of cash flows over market interest rates. Market value of option transactions is performed based on softwares which are internationally accepted valuation methodologies.

Definition of independent price approval processes

There are four main price parameters which shall have an impact on current market value of financial assets and positions held by the Banks:

- Market interest rates (bond, bill and derivative prices);
- Share prices;
- Exchange rates;
- Gold, other precious metals and commodity prices.

Total risk of loss sourcing from price movements (interest, equity share, exchange and commodity risk) related to financial assets and positions are called as “general market risk”.

Independency of price process in ensured through the recording and management of prices to Group systems by back office. In addition, the pricing and valuation systems in question are also reviewed and validated by Validation Unit. Details belonging to aforementioned valuation and accounting are strictly documented and monitored by Treasury Control Unit.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

3 Linkages between financial statements and risk amounts (Continued)

3.3. BA - Disclosures regarding differences between amounts valued according to TAS and risk exposures (Continued)

Processes for valuation adjustments or differences (It includes definition of process and methodology definition for the valuation of trading positions according to type of financial instrument)

TL borrowing instruments included in securities portfolio of Financial Assets at Fair Value through Profit/Loss account consist of government securities. The aforementioned securities are evaluated based on weighted average price traded in the market. For the TL securities not traded, market price is calculated based on CBRT prices. Average of quotation of purchase and sell in the market are accepted as market price for Foreign Currency securities included in the same portfolio.

4. Credit Risk Disclosures

4.1. General Information on Credit Risk

4.1.1. CRD - general qualitative information on credit risk

a) Conversion of The Parent Bank’s business model to components of credit risk profile

The Parent Bank has forward-looking measurement and forecast instruments which are sensitive to risk and including appropriate information technology applications and management information systems in order to take expected or unexpected losses into account in all types of risk under both normal and also negative market conditions. The conversion of business model to components in risk profile is digitized through aforementioned instruments.

b) Criteria and approach used during the determination of credit risk policy and credit risk limits

Group credit policies have been established to form effective and satisfactory loan allocation processes based on prudence and applicability principles in a way that it is in line with the risk boundaries set by the Group, Group Credit Policies and legal authorities. Pillars of credit risk management policy in Group are;

- Rules and Regulations of BRSA (Banking Regulation and Supervision Agency)
- Decisions of institutions auditing QNB Group
- Credit policies and procedures at Group level
- Credit policies and procedures at Bank level
- Risk Appetite Statement Document
- Corporate, commercial and SME banking credit policies and corporate grading management documents
- Individual credit and credit cards policies

Risk Management Strategy is the main risk management policy document in which the risks of the Group are identified, and its risk appetite and managements principles are determined. Credit risk limits are annually reviewed in line with risk strategy.

c) Structure and organization of credit risk management and control function

All of the process related to direct or indirect credit allocation, extension, monitoring and operation of the Group in favor of individuals or legal entities are reviewed in scope of credit risk management. Activities related to capital management includes calculation of legal and economic capital requirement of annual and long term business plans of the Bank.

Activities related to Credit Risk and Capital Management are carried out by Credit Risk Analytic, Strategy and Capital Management unit. Group’s Credit Risk organization, duties and responsibilities, related units and responsibilities of those units are identified in detail in the own Credit Policy documents of the Group, Risk Management Strategy Document and Risk Management Department operation instruction and also main principles, applications, limits and reporting processes, which are going to be adopted in Credit Risk Management, are included.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.1. General Information on Credit Risk (Continued)

4.1.1. CRD - general qualitative information on credit risk (Continued)

c) Structure and organization of credit risk management and control function (Continued)

Main responsibilities of Credit Risk Management Department are as follows:

- To establish risk management policies and strategies related to risks exposed by the Group and to submit those policies and strategies for the approval of Board of Directors Risk Committee,
- To ensure fulfilment of risk identification, measurement, analysis, monitoring, control and mitigation activities in accordance with risk management policies and processes approved by Board of Directors and to report all significant in balance and off balance risks which are undertaken at group level to senior management,
- To make internal capital adequacy review covering all risks and to make forecasts related to course of capital adequacy ratio in the framework of long term business plans of the Group,
- To make periodic stress tests and scenario analysis and establish early warning systems,
- To support decision-making processes of the Group through providing reviews and risk point of view with respect to risk management,
- To encourage risk awareness and management culture across the bank
- To develop of forecasting models/approaches and the measurement monitoring of portfolio credit risk through Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).
- Implementation of risk based Credit Classification and Expected Credit Loss calculations under TFRS 9, determination of credit risk measurement framework, development and implementation of relevant models/ approaches.

d) Relationship between credit risk management, risk control, legal compliance and internal audit functions

Risk governance model includes three lines of defense consisting of:

- The risk taking units (lines of business) at the first level, responsible for assessing and minimizing risks for a given level of return.
- Risk Management Unit, at the second level, identifies, monitors, controls, quantifies risk, provides appropriate tools and methodologies, provides coordination and assistance; measures risk adjusted performance across the business lines; reports to appropriate levels and proposes mitigation measures, being supported by business lines, where the risk is actually created, and specialized units.
- Internal Audit - provides the independent review function.

The Compliance function is ensuring, through proper procedures, that the requirements and deadlines provided for by the regulatory framework in force are observed. In doing so, the compliance function informs all Group employees on the relevant changes to the regulatory framework and provides guidance on the required changes to internal rules and processes. Moreover, the Compliance function cooperates as appropriate with the Risk Management unit, as compliance risk is considered a subcategory of operational risk.

Internal audit function acts as one of the three lines of defense of Group risk Management model and provides the independent review function. Risk assessments at internal audit are carried out by internal audit department by paying attention to exposures that Group has and controls relevant to them during audit works.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.1. General Information on Credit Risk (Continued)

4.1.1. CRD - general qualitative information on credit risk (Continued)

e) Scope and main content of reporting to senior management and board members regarding the credit risk management function and exposure to credit risk

A Board of Directors Risk Committee Report is prepared monthly to be submitted to the Board of Directors Risk Committee, and the report mainly consists of information on capital adequacy, Market Risk, Credit Risk, Counterparty Credit Risk and Operational Risk. The main content and scope of the report contains development in risk parameters, change in risk profile, concentration and risk metrics, stress tests and results, delay amounts and rates on the basis of segments, third stage, second stage, rating and default probability distributions, aging analysis collateral structure, collection amounts by segment and product, and non-performing loan restructurings. In addition to this monthly report, a quarterly comparison analysis with peer banks based on capital adequacy and credit risk metrics is reported to senior management and the board of directors.

4.2. CR1 Credit Quality of Assets

Current Period	Gross amount in the financial statements prepared in accordance with the statutory consolidation as valued in accordance with TAS			
	Defaulted exposures	Non-defaulted exposures	Allowances/impairments	Net value
1. Loans	25,360,472	927,429,610	41,589,630	911,200,452
2. Debt Securities	-	272,110,031	17,722	272,092,309
3. Off-balance sheet exposures	-	1,038,692,710	1,624,556	1,037,068,154
4. Total	25,360,472	2,238,232,351	43,231,908	2,220,360,915

Prior Period	Defaulted exposures	Non-defaulted exposures	Allowances/impairments	Net value
1. Loans ^(*)	10,988,341	619,600,366	27,842,541	602,746,166
2. Debt Securities	-	171,480,679	26,015	171,454,664
3. Off-balance sheet exposures	-	585,997,500	1,938,203	584,059,297
4. Total	10,988,341	1,377,078,545	29,806,759	1,358,260,127

4.3. CR2 Changes in stock of defaulted loans and debt securities

	Current Period	Prior Period
Defaulted loans and debt securities at end of the previous reporting period	10,988,341	9,494,520
Loans and debt securities that have defaulted since the last reporting period	23,079,617	5,251,906
Returned to non-defaulted status	-	-
Amounts written-off ^(*)	1,922,646	917,816
Other changes ^(**)	6,784,840	2,840,269
Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	25,360,472	10,988,341

^(*) Includes sales of non-performing loan receivables amounting to TL 1,743,573 in the current period (31 December 2023 - TL 907,703). ^(**) Includes collections from credits in default.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

4 Credit Risk Disclosures (Continued)

4.4. CRB - Additional disclosures related to credit quality of assets

- The criteria taken into consideration by the Parent Bank in determining the impairment are explained in footnote VIII of the third section.
- There is no part of past due receivables which is not reviewed as “loans subject to provisioning”.
- The Group’s specific provision calculation is explained in footnote VIII of the third section.
- In receivables of the customers having difficulties in payment of receivables to the Bank or expected to have possible difficulties in payments then receivables in aforementioned scope are identified as “restructured receivables”.

e) Exposures provisioned against by major regions, major sectors and remaining maturity

Exposures provisioned against by major regions

Country	Current Period	Prior Period
Türkiye	869,812,933	580,290,501
European Union (EU) Countries	685	803
USA, Canada	-	2
OECD Countries ^(*)	1,093,507	2,236
Off-Shore Banking	784,288	869,732
Other Countries	1,980,679	1,481,936
Total^(*)	873,672,092	582,645,210

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

Exposures provisioned against by major sectors

	Current Period	Prior Period
1. Agricultural	4,171,379	3,206,115
1.1. Farming and raising livestock	2,516,896	2,235,461
1.2. Forestry	62,820	36,489
1.3. Fishing	1,591,663	934,165
2. Manufacturing	179,403,349	111,625,809
2.1. Mining and Quarrying	1,669,523	963,553
2.2. Production	166,119,768	98,017,568
2.3. Electricity, Gas, Water	11,614,058	12,644,688
3. Construction	22,537,373	15,096,310
4. Services	255,501,989	190,121,329
4.1 Wholesale and retail trade	106,744,430	71,954,428
4.2. Hotel, food and beverage services	24,598,095	16,809,256
4.3. Transportation and telecommunication	55,971,907	46,529,727
4.4. Financial institutions	17,630,895	10,788,633
4.5. Real estate and leasing services	29,683,388	26,671,005
4.6. Self-employment services	6,312,908	4,064,145
4.7. Education services	1,373,848	931,756
4.8. Health and social services	13,186,518	12,372,379
5. Other	412,058,002	262,595,647
6. Total^(*)	873,672,092	582,645,210



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.4. CRB - Additional disclosures related to credit quality of assets (Continued)

e) Exposures provisioned against by major regions, major sectors and remaining maturity (Continued)

Breakdown of Exposures according to remaining maturity

Current Period	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans and Receivables ^(*)	-	317,765,184	133,190,856	302,284,432	148,951,192	25,237,946	927,429,610

^(*) Relevant provision amounts have been deducted from the loans and receivables balances.

Prior Period	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans and Receivables ^(*)	-	203,925,397	93,929,683	189,235,959	100,184,295	32,324,882	619,600,216

^(*) Relevant provision amounts have been deducted from the loans and receivables balances.

f) Exposures provisioned against by major regions and sectors and loans written off during the period an uncollectible

Exposures provisioned against by major regions and loans written off during the period an uncollectible

Current Period	Loans subject to provision	Provision	Written-off from Assets
Türkiye	25,299,450	19,621,964	1,922,646
EU Countries	27	16	-
USD, Canada	-	-	-
OECD Countries ^(*)	-	-	-
Off-shore Banking Regions	-	-	-
Other Countries	60,995	52,802	-
Total	25,360,472	19,674,782	1,922,646

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

Prior Period	Loans subject to provision	Provision	Written-off from Assets
Türkiye	10,971,258	8,863,471	917,816
EU Countries	26	15	-
USD, Canada	-	-	-
OECD Countries ^(*)	-	-	-
Off-shore Banking Regions	-	-	-
Other Countries	17,057	16,798	-
Total	10,988,341	8,880,284	917,816

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



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.4. CRB - Additional disclosures related to credit quality of assets (Continued)

f) Exposures provisioned against by major regions and sectors and loans written off during the period an uncollectible (Continued)

Exposures provisioned against by major sectors and loans written off

	Current Period			Prior Period		
	Loans subject to provision	Provision	Written-off from Assets	Loans subject to provision	Provision	Written-off from Assets
1. Agriculture	146,058	122,424	22,470	171,229	152,412	19,541
1.1. Farming and Raising Livestock	135,275	115,157	22,414	169,235	150,434	19,232
1.2. Forestry	1,364	917	10	104	104	-
1.3. Fishing	9,419	6,350	46	1,890	1,874	309
2. Industrial	2,482,557	2,052,303	47,225	1,989,222	1,716,533	51,068
2.1. Mining and Quarrying	62,919	49,797	2,874	45,310	41,090	231
2.2. Production	2,344,854	1,930,551	44,256	1,884,024	1,615,587	50,647
2.3. Electricity, Gas, Water	74,784	71,955	95	59,888	59,856	190
3. Construction	746,352	488,500	34,927	811,055	581,131	26,317
4. Services	3,458,718	2,600,076	231,060	2,894,840	2,345,022	227,358
4.1. Wholesale and Retail Trade	2,108,864	1,784,324	167,159	1,503,575	1,354,303	168,886
4.2. Hotel, Food and Beverage Services	147,768	128,118	24,970	146,604	126,284	22,959
4.3. Transportation and Communication	179,515	139,881	18,990	107,785	100,169	17,995
4.4. Financial Institutions	10,252	9,632	510	9,945	9,274	536
4.5. Real Estate and Renting Services	855,034	406,909	3,145	825,889	466,236	5,900
4.6. Self-Employment Services	96,070	79,559	8,834	232,558	225,536	6,221
4.7. Educational Services	18,667	17,290	2,097	28,043	26,015	1,436
4.8. Health and Social Services	42,548	34,363	5,355	40,441	37,205	3,425
5. Other	18,526,787	14,411,479	1,586,964	5,121,995	4,085,186	593,532
6. Total	25,360,472	19,674,782	1,922,646	10,988,341	8,880,284	917,816



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

4. Credit Risk Disclosures (Continued)

4.4. CRB - Additional disclosures related to credit quality of assets (Continued)

g) Aging analysis

Overdue days	Current Period	Prior Period
0-30	899,008,738	603,561,484
31-60	10,285,145	4,175,579
61-90	3,989,721	1,480,357
90+	25,360,472	10,988,341
Total	938,644,076	620,205,761

5. Credit risk mitigation

5.1. CRM - Qualitative disclosure on credit risk mitigation techniques

Collateralization is used as main risk mitigation method. Tangible and intangible assets which can be accepted as collateral and their consideration rates are defined in detail in instructions. The Parent Bank follows a conservative approach in collateral valuation. The value of the collateral is determined both with independent valuation and also internal valuation.

Legality and operational applicability are the precondition for the validity of collaterals. Legal teams should have performed sufficient legal examinations and confirmed all legal regulations related to collateral and validity of collateral before the receipt of the collateral. In addition, all contracts and other related documents should be obtained. Collateral value should not have a positive correlation with the credit worthiness of the debtor.

Monitoring of collateral values is important to maintain credit quality. Market value of the collateral is periodically reviewed in line with determined frequency in directives and necessary precautions are taken when there is a significant deterioration indication in market value of the collateral.

Insurance policies of the collaterals should be obtained.

Collateral value meets Debt-Collateral ratio determined for credit type or specific sectors legally or in internal application of The Parent Bank.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

5. Credit risk mitigation (Continued)

5.1. CRM - Qualitative disclosure on credit risk mitigation techniques (Continued)

The Parent Bank takes netting agreements concluded with counterparties into account in the framework of rules mentioned in scope of Appendix-2 of Regulation on Measurement and Evaluation of Bank’s Capital Adequacy during the counterparty risk measurement.

5.2. CR3 - Credit risk mitigation techniques - Overview

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1. Loans	890,223,829	20,976,623	13,511,071	-	-	-	-
2. Debt securities	272,092,309	-	-	-	-	-	-
3. Total	1,162,316,138	20,976,623	13,511,071	-	-	-	-
4. Of which defaulted	6,153,952	152,889	1,691	-	-	-	-

Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1. Loans	588,237,998	14,508,168	11,118,365	-	-	-	-
2. Debt securities	171,454,664	-	-	-	-	-	-
3. Total	759,692,662	14,508,168	11,118,365	-	-	-	-
4. Of which defaulted	2,486,123	80,149	20,088	-	-	-	-

6. Credit risk when standard approach is used

6.1. CRA - Qualitative disclosures which shall be made related to grading marks used by the Banks while calculating credit risk with standard approach

- Ratings of Fitch and JCR Avrasya Derecelendirme A.Ş. credit rating agencies are used in credit risk standard approach calculations.
- Ratings of Fitch credit rating agency are used to determine the risk weights of receivables from central governments or central banks, receivables from banks and intermediary institutions, which are subject to risk classes. The ratings of JCR Avrasya Değerlendirme A.Ş. are used in determining the risk weights for corporate receivables subject to risk categories.
- Mark assigned to a debtor is taken into account for all assets of the debtor.
- CRA, which is not included in twinning table of the institution, is not used.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.2. CR4 - Standardised approach - Credit risk exposure and credit risk mitigation (CRM) effects

Current Period	Exposure Categories	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1.	Exposures to central governments or central banks	476,181,868	-	477,382,730	-	-	0%
2.	Exposures to regional governments or local authorities	179,514	20,115	179,514	-	89,757	50%
3.	Exposures to public sector entities	847,050	296,875	716,736	63,480	780,216	100%
4.	Exposures to multilateral development banks	-	-	-	-	-	0%
5.	Exposures to international organizations	-	-	-	-	-	0%
6.	Exposures to institutions	24,123,024	7,472,029	24,123,022	4,295,246	11,290,508	40%
7.	Exposures to corporates	302,271,211	243,255,200	292,158,837	76,133,073	346,309,678	94%
8.	Retail exposures	504,935,822	924,425,447	500,470,358	14,422,741	386,169,825	75%
9.	Exposures secured by residential property	5,281,036	705,370	5,281,036	380,227	1,981,442	35%
10.	Exposures secured by commercial real estate	29,104,823	6,403,993	29,104,823	3,029,531	21,658,163	67%
11.	Past-due loans	5,218,586	-	5,216,895	-	2,940,157	56%
12.	Higher-risk categories by the Agency Board	3,178,088	15,354	3,175,997	6,462	14,908,694	468%
13.	Exposures in the form of covered bonds	-	-	-	-	-	0%
14.	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15.	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16.	Other assets	51,299,642	455,718	51,299,642	-	39,783,966	78%
17.	Investments in equities	18,107,568	-	18,107,568	-	18,107,568	100%
18.	Total	1,420,728,232	1,183,050,101	1,407,217,158	98,330,760	844,019,974	56%



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.2. CR4 - Standardised approach - Credit risk exposure and credit risk mitigation (CRM) effects (Continued)

Prior Period	Exposure Categories	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1.	Exposures to central governments or central banks	277,025,530	-	278,042,749	-	-	0%
2.	Exposures to regional governments or local authorities	179,674	115	179,674	-	89,837	50%
3.	Exposures to public sector entities	663,848	292,560	663,848	62,192	726,040	100%
4.	Exposures to multilateral development banks	-	-	-	-	-	0%
5.	Exposures to international organizations	-	-	-	-	-	0%
6.	Exposures to institutions	20,833,388	5,715,445	20,833,389	3,343,684	8,916,454	37%
7.	Exposures to corporates	166,568,914	177,334,954	159,069,791	45,596,099	192,632,680	94%
8.	Retail exposures	232,046,907	532,994,612	227,492,086	12,446,638	189,267,517	79%
9.	Exposures secured by residential property	2,664,150	328,547	2,664,150	174,382	993,486	35%
10.	Exposures secured by commercial real estate	14,778,895	3,367,436	14,778,895	1,708,260	11,541,278	70%
11.	Past-due loans	1,865,492	-	1,845,502	-	1,054,483	57%
12.	Higher-risk categories by the Agency Board	124,345,747	221,174	124,284,094	137,500	200,064,703	161%
13.	Exposures in the form of covered bonds	-	-	-	-	-	0%
14.	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15.	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16.	Other assets	32,446,174	1,481,019	32,446,174	-	23,290,712	72%
17.	Investments in equities	8,296,731	-	8,296,731	-	8,296,731	100%
18.	Total	881,715,450	721,735,862	870,597,083	63,468,755	636,873,921	68%



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.3. CR5 - Standard approach - exposures by asset classes and risk

Current Period												Total Credit Risk Exposure Amount
Exposure Categories/Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	Others			
1. Exposures to central governments or central banks	477,382,730	-	-	-	-	-	-	-	-	-	477,382,730	
2. Exposures to regional governments or local authorities	-	-	-	-	179,514	-	-	-	-	-	179,514	
3. Exposures to public sector entities	-	-	-	-	-	-	780,216	-	-	-	780,216	
4. Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	
5. Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	
6. Exposures to institutions	-	10,219,770	-	17,903,889	-	294,609	-	-	-	-	28,418,268	
7. Exposures to corporates	-	14,071,755	-	20,998,955	-	333,221,200	-	-	-	-	368,291,910	
8. Retail exposures	-	-	-	-	-	514,893,099	-	-	-	-	514,893,099	
9. Exposures secured by residential property	-	-	-	5,661,263	-	-	-	-	-	-	5,661,263	
10. Exposures secured by commercial real estate	-	-	-	20,952,383	-	11,181,971	-	-	-	-	32,134,354	
11. Past-due loans	-	-	-	4,553,477	-	663,418	-	-	-	-	5,216,895	
12. Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	286,743	2,895,716	-	3,182,459	
13. Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	
14. Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	
15. Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	
16. Investments in equities	-	-	-	-	-	-	18,107,568	-	-	-	18,107,568	
17. Other Asset	11,515,676	-	-	-	-	-	39,783,966	-	-	-	51,299,642	
18. Total	488,898,406	-	24,291,525	5,661,263	64,588,218	514,893,099	404,032,948	286,743	2,895,716	1,505,547,918		



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

6. Credit risk when standard approach is used (Continued)

6.3. CR5 - Standard approach - exposures by asset classes and risk (Continued)

Prior Period											Total Credit Risk Exposure Amount
Exposure Categories/Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	Others		
1. Exposures to central governments or central banks	278,042,749	-	-	-	-	-	-	-	-	278,042,749	
2. Exposures to regional governments or local authorities	-	-	-	-	179,674	-	-	-	-	179,674	
3. Exposures to public sector entities	-	-	-	-	-	-	726,040	-	-	726,040	
4. Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	
5. Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	
6. Exposures to institutions	-	-	10,741,073	-	13,335,519	-	100,481	-	-	24,177,073	
7. Exposures to corporates	-	-	8,553,639	-	10,380,598	-	185,731,653	-	-	204,665,890	
8. Retail exposures	-	-	-	-	-	202,684,828	37,253,896	-	-	239,938,724	
9. Exposures secured by residential property	-	-	-	2,838,532	-	-	-	-	-	2,838,532	
10. Exposures secured by commercial real estate	-	-	-	-	9,891,755	-	6,595,400	-	-	16,487,155	
11. Past-due loans	-	-	-	-	1,582,038	-	263,464	-	-	1,845,502	
12. Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	100,573,014	23,848,580	124,421,594	
13. Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	
14. Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	
15. Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	
16. Investments in equities	-	-	-	-	-	-	8,296,731	-	-	8,296,731	
17. Other Asset	9,155,344	-	148	-	-	-	23,290,682	-	-	32,446,174	
18. Total	287,198,093	-	19,294,860	2,838,532	35,369,584	202,684,828	262,258,347	100,573,014	23,848,580	934,065,838	



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

7. Disclosures Regarding Counterparty Credit Risk

7.1. Qualitative disclosures regarding DCCR - CCR table

- a) Counterparty credit risk (CCR) states default risk of counterparty, which is a party to a transaction imposing an obligation to both parties, going into default before the final payment included in cash flow of the transaction in question. CCR causes credit risk for banks carrying out money and capital market transactions. Derivative financial instruments, repo and reverse repo transactions, securities and commodities lending transactions, transactions having long clearing process and margin trading transactions are considered in the aforementioned scope.

The most significant part of CCR in the Parent Bank is sourced from derivative financial instruments. Derivative transactions are made with financial institutions, individual and commercial customers for the purposes of trading, management of interest risk of banking accounts and meeting customer demands.

CCR is managed within the framework of the Counterparty Credit Policy approved by the Board of Directors. In this policy, the scope of the CCR, the risk calculation method, and the distribution of responsibility distribution were determined. The general lines determined in the CCR policy are detailed with the Derivative Products Application Instructions.

The Parent Bank make a distinction between banks, non-bank financial institutions and individual customers with respect to counterparty credit risk. Transactions made with non-bank financial institutions are reviewed in the framework of corporate-commercial credit risk while banks are considered in the framework of financial institutions.

Derivative risk amount which can be carried by the customer is limited within the credit policies framework. Related risk and limit amounts are monitored on a daily basis and when a collateral shortfall exists, shortfall collateral amount is completed in line with given standards in Derivative Products Application Instruction.

- b) A clear definition of risk appetite and its approval by Board of Directors is the precondition to establish a consistent risk limit system. The Bank has determined the following limit structure in order to limit the risk carried over derivative transactions. Those limits are determined in Market Risk Policy and approved by Board of Directors.
- Limits on option sensitivity indexes basis: Maximum risk which can be taken in delta, gamma and vega positions is limited.
 - Option nominal position limit: Maximum nominal position which can be taken on option type basis is limited.
 - Interest sensitivity limit of forward exchanges included in trading accounts: Interest risk which can be carried by swap and forward exchanges made for the purposes of trading.

Derivative limit on the basis of customer has been prepared in addition to abovementioned limit structure. The Bank has established required control mechanism in order to stay in the framework of determined limits.

- c) CCR is being tried to be reduced with various techniques. The Parent Bank uses daily exchange limits in addition to credit support and global repo agreements in order to reduce exchange risk. Limits, defined for financial institutions, are allocated according to creditability of counterparty and monitored as real time and online. Parties, having over the counter transactions with the Bank, are financial institutions which are well known and having a long term of business relationship.
- d) Countertrend risk states that probability of default of counterparty has a positive correlation with general market risk factors. The Bank monitors impacts of market risk factors such as interest and exchange on customer credit risk. Especially, in periods having sharp financial movements, required actions are taken in line with analysis performed.
- e) If there is a decline in credit rating grade, there is no additional collateral amount which must be provided by the Bank.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

7. Disclosures Regarding Counterparty Credit Risk (Continued)

7.2. CCR1 - Analysis of counterparty credit risk (CCR) exposure by approach

Current Period	Revaluation Cost	Potential credit risk exposure	EEPE	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1. Standard approach - CCR (for derivatives)	4,048,536	2,679,984	-	1.4	9,419,928	4,795,973
2. Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	-	-
3. The simple method used to mitigate credit risk - repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions,	-	-	-	-	-	-
4. Comprehensive method for reducing credit risk - (for repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	22,937,689	7,726,933
5. Repo transactions, securities or commodity lending or borrowing transactions, long-term transactions with risk exposure value for credit securities transactions	-	-	-	-	-	-
6. Total	-	-	-	-	-	12,522,906

Prior Period	Revaluation Cost	Potential credit risk exposure	EEPE	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1. Standard approach - CCR (for derivatives)	5,239,851	3,678,502	-	1	12,485,695	4,079,974
2. Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	-	-
3. The simple method used to mitigate credit risk - repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions,	-	-	-	-	-	-
4. Comprehensive method for reducing credit risk - (for repo transactions, securities or commodity lending or borrowing transactions, long transactions and credit securities transactions)	-	-	-	-	11,997,117	4,397,153
5. Repo transactions, securities or commodity lending or borrowing transactions, long-term transactions with risk exposure value for credit securities transactions	-	-	-	-	-	-
6. Total	-	-	-	-	-	8,477,127



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

7. Disclosures Regarding Counterparty Credit Risk (Continued)

7.3. CCR2 - Credit valuation adjustment (CVA) capital charge

	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts			
		Current Period	Prior Period	Current Period	Prior Period
Total portfolio value with comprehensive approach CVA capital adequacy					
1. (i) Value at risk component (3*multiplier included)	-	-	-	-	-
2. (ii) Stressed Value at Risk (3*multiplier included)	-	-	-	-	-
3. Total portfolio value with simplified approach CVA capital adequacy	9,419,928	12,485,695	1,274,268	1,898,578	
4. Total amount of CVA capital adequacy	9,419,928	12,485,695	1,274,268	1,898,578	

7.4. CCR3 - Standardised approach - CCR exposures by regulatory portfolio and risk weights

Current Period	Exposure Categories/Risk Weight	Risk Weight								Total Credit Risk
		0%	10%	20%	50%	75%	100%	150%	Other	
1.	Exposures from central governments or central banks	-	-	-	-	-	-	-	87,447	87,447
2.	Exposures from regional or local governments	-	-	-	-	-	-	-	-	-
3.	Exposures from administrative units and non-commercial enterprises	-	-	-	-	-	27	-	-	27
4.	Exposures from multilateral development banks	-	-	-	-	-	-	-	-	-
5.	Exposures from international organizations	-	-	-	-	-	-	-	-	-
6.	Exposures from banks and brokerage houses	-	-	15,250,012	14,632,484	-	-	-	-	29,882,496
7.	Exposures from corporates	-	-	209,116	116,115	-	2,032,774	-	-	2,358,005
8.	Retail receivables	-	-	-	-	29,642	-	-	-	29,642
9.	Mortgage receivables	-	-	-	-	-	-	-	-	-
10.	Non performing receivables	-	-	-	-	-	-	-	-	-
11.	High risk defined receivables	-	-	-	-	-	-	-	-	-
12.	Mortgage backed securities	-	-	-	-	-	-	-	-	-
13.	Securitization Positions	-	-	-	-	-	-	-	-	-
14.	Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-
15.	Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
16.	Equity Investments	-	-	-	-	-	-	-	-	-
17.	Other Receivables	-	-	-	-	-	-	-	-	-
18.	Other Assets	-	-	-	-	-	-	-	-	-
19. Total		-	-	15,459,128	14,748,599	29,642	2,032,801	-	87,447	32,357,617



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

7. Disclosures Regarding Counterparty Credit Risk (Continued)

7.4. CCR3 - Standardised approach - CCR exposures by regulatory portfolio and risk weights (Continued)

Prior Period	Exposure Categories/Risk Weight	Risk Weights								Total Credit Risk	
		0%	10%	20%	50%	75%	100%	150%	Other		
1.	Exposures from central governments or central banks	3,353,343	-	-	-	-	-	-	-	153,086	3,506,429
2.	Exposures from regional or local governments	-	-	-	-	-	-	-	-	-	-
3.	Exposures from administrative units and non-commercial enterprises	-	-	-	-	-	6	-	-	-	6
4.	Exposures from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5.	Exposures from international organizations	-	-	-	-	-	-	-	-	-	-
6.	Exposures from banks and brokerage houses	-	-	8,294,238	10,930,444	-	32,883	-	-	-	19,257,565
7.	Exposures from corporates	-	-	416,315	122,973	-	1,150,855	-	-	-	1,690,143
8.	Retail receivables	-	-	-	-	28,669	-	-	-	-	28,669
9.	Mortgage receivables	-	-	-	-	-	-	-	-	-	-
10.	Non performing receivables	-	-	-	-	-	-	-	-	-	-
11.	High risk defined receivables	-	-	-	-	-	-	-	-	-	-
12.	Mortgage backed securities	-	-	-	-	-	-	-	-	-	-
13.	Securitization Positions	-	-	-	-	-	-	-	-	-	-
14.	Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-	-
15.	Collective investment undertaking investments	-	-	-	-	-	-	-	-	-	-
16.	Equity Investments	-	-	-	-	-	-	-	-	-	-
17.	Other Receivables	-	-	-	-	-	-	-	-	-	-
18.	Other Assets	-	-	-	-	-	-	-	-	-	-
19.	Total	3,353,343	-	8,710,553	11,053,417	28,669	1,183,744	-	153,086	24,482,812	

7.5. CCR4 - Risk class and counterparty credit risk on the basis of possibility of default

Related table is not presented due to standard method is used for calculation of capital adequacy (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

7. Disclosures Regarding Counterparty Credit Risk (Continued)

7.6. CCR5 - Composition of collateral for CCR exposure

Current Period	Collaterals for Derivatives				Collaterals or Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - Local Currency	-	98,363	-	811,534	102,539,175	-
Cash - Foreign Currency	-	3,865,362	-	5,198,458	42,268,949	-
Government bond-domestic	-	-	-	-	-	-
Government bond-other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bond	-	-	-	-	-	-
Equity share	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	-	3,963,725	-	6,009,992	144,808,124	-

Prior Period	Collaterals for Derivatives				Collaterals or Other Transactions	
	Collaterals Given		Collaterals Given		Collaterals Taken	Collaterals Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - Local Currency	-	47,999	-	737,134	24,811,951	-
Cash - Foreign Currency	-	8,003,192	-	3,025,514	1,873,538	-
Government bond-domestic	-	-	-	-	-	-
Government bond-other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bond	-	-	-	-	-	-
Equity share	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	-	8,051,191	-	3,762,648	26,685,489	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

7. Disclosures Regarding Counterparty Credit Risk (Continued)

7.7. CCR6 - Credit derivatives

Related table is not presented due to the Parent Bank has no risk arrived from derivative credit received or sold (31 December 2023 - None).

7.8. CCR7 - RWA changes on CCR within the internal model method

Related table is not presented due to standard method is used for calculation of capital adequacy (31 December 2023 - None).

7.9. CCR8 - Exposures to central counterparties

	Current Period		Prior Period	
	Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
1. Exposure to Qualified Central Counterparties (QCCPs)(total)	198,446	2,094	153,086	3,062
2. Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	110,999	345	-	-
3. (i) OTC Derivatives	-	-	-	-
4. (ii) Other derivative financial instruments	87,447	1,749	153,086	3,062
5. (iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing of securities or commodities	-	-	-	-
6. (iv) Netting sets where cross-product netting has been approved	-	-	-	-
7. Segregated initial margin	-	-	-	-
8. Non-segregated initial margin	-	-	-	-
9. Pre-funded default fund contributions	-	-	-	-
10. Unfunded default fund contributions	-	-	-	-
11. Exposures ton on-QCCPs (total)	-	-	-	-
12. Exposures for trades at non- QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13. (i) OTC Derivatives	-	-	-	-
14. (ii) Other derivative financial instruments	-	-	-	-
15. (iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing of securities or commodities	-	-	-	-
16. (iv) Netting sets where cross-product netting has been approved	-	-	-	-
17. Segregated initial margin	-	-	-	-
18. Non-segregated initial margin	-	-	-	-
19. Pre-funded default fund contributions	-	-	-	-
20. Unfunded default fund contributions	-	-	-	-

8. Securitization exposures

The Parent Bank has no securitization transactions (31 December 2023 - None).

9. Disclosures regarding Market Risk

9.1. MRD - Qualitative information which shall be disclosed to public related to market risk

- a) Market risk states the risk sourcing from change in market prices on positions held in order to make profit in trading accounts in line with short term expectations in market prices or interest rates. Financial Assets at Fair Value through Profit/Loss accounts covers all derivative products except for Financial Assets at Fair Value through Profit/Loss, open exchange position and having hedging purposes.

The Parent Bank has established a structure to effectively define, monitor and manage the risk sourcing from changes in market prices including interest rates, stocks, bond prices, exchange rates and uncertainty of aforementioned prices in their volatility levels. The aforementioned structure is determined in Market Risk Policy of the Bank which is approved by the Board of Directors. This policy determines principles, measurement methods, processes and limits covering all transactions of the Bank sourcing from market risk.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

9. Disclosures regarding Market Risk (Continued)

9.1. MRD - Qualitative information which shall be disclosed to public related to market risk (Continued)

Market risk is calculated and reported on a monthly basis with standard method for capital adequacy calculation in line with regulation on Measurement and Evaluation of Bank’s Capital Adequacy published by BRSA.

Market risk also includes value at risk limits in line with internal policies based on internal model. Limits include value at risk limits, positions, limits on options sensitivity and loss cessation limits for each of the market risk types.

- b) Risk Committee of the Parent Bank is responsible to ensure implementation of market risk strategy and policies in a consistent manner. Market risk unit operates totally independent from risk carrying units and directly subject to Risk Committee of the Bank in given authorization and responsibilities framework.

Internal Control Department is responsible for the evaluation of internal control system related to market risk through periodical independent audits. Required system evaluation reports are shared with Board of Directors and other related authorities. Risk Committee of Board of Directors provides holding of sufficient capital against market risk carried by the Parent Bank.

- c) The Parent Bank makes its capital calculation for market risk in accordance with standard method approach defined in Basel II first pillar. Capital calculation method for each risk category is made by BRSA in line with Basel standards as of month-ends as solo and consolidated.

The Group calculates market risk with value at risk approach for the purpose of monitoring and management of risk at the Bank except for standard method. The aforementioned calculation is made both for the risk of trading portfolio and the risk of positions of the trading desk. Value at risk calculation is made daily with historical simulation at 99% confidence interval through 252 working days observation period and exponential weighted moving average volatility assumption. Dynamic structure of the volatility is reached through giving weight to recent observations in exponential weighted moving average. In addition to the VaR calculation, risk amounts are calculated by stress VaR and stress tests, taking into account the risk that may occur during stress periods.

9.2. MR1- Market risk under standardised approach

		RWA ^(**)	
		Current Period	Prior Period
	Outright products ^(*)	13,869,125	15,740,100
1.	Interest rate risk (general and specific)	4,314,700	4,964,411
2.	Equity risk (general and specific)	2,355,350	727,838
3.	Foreign exchange risk	6,783,600	8,990,088
4.	Commodity risk	415,475	1,057,763
	Options	31,938	852,275
5.	Simplified approach	-	-
6.	Delta-plus method	31,938	852,275
7.	Scenario approach	-	-
8.	Securitization	-	-
9.	Total	13,901,063	16,592,375

^(*) Outright products refer to position in products that are not optional.

^(**) The market Risk represents the capital requirement multiplied by 12.5 times Risk Weighted Amount.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

II. Explanations on Consolidated Risk Management (Continued)

10. Explanations on Consolidated Operational Risk

The amount subject to operational risk is calculated by using the “Basic Indicator Method” by using the year-end gross income of the Parent Bank for the last 3 years of 2023, 2022 and 2021 in accordance with the “Calculation of the Amount Subject to Operational Risk” in accordance with Section 3 of the “Regulation on Measurement and Assessment of Capital Adequacy of Banks” published in the Official Gazette dated 28 June 2012 and numbered 28337. As of 31 December 2024, the amount subject to operational risk is TL 80,878,825 (31 December 2023 - TL 42,831,525).

Current Period Basic Indicator Method	2 Prior Period Value	1 Prior Period Value	Current Period value	Total/Total number of years for which gross income is positive	Rate (%)	Total
Gross Income ⁽¹⁾	13,236,805	45,152,510	71,016,813	43,135,376	15	6,470,306
Amount subject to operational risk (Total*12.5)						80,878,825

Prior Period Basic Indicator Method	2 Prior Period Value	1 Prior Period Value	Current Period value	Total/Total number of years for which gross income is positive	Rate (%)	Total
Gross Income ⁽¹⁾	10,141,119	13,236,805	45,152,510	22,843,478	15	3,426,522
Amount subject to operational risk (Total*12.5)						42,831,525

Annual gross income is calculated by deducting the profit/loss arising from the sale of securities followed up in the securities available for sale and held-to-maturity accounts, the extraordinary incomes and the amounts indemnified from insurance, from the sum of the net amounts of interest income and non-interest income.

III. Explanations on Consolidated Foreign Exchange Risk

1. Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Parent Bank sets limits for positions that are monitored daily

The difference between the Parent Bank’s foreign currency denominated and foreign currency indexed assets and liabilities is defined as the “Net Foreign Currency Position” and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure (“cross currency risk”).

Board of Directors has determined the limits considering the consistency with the “Foreign Currency Net General Position.” Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and The Parent Bank strategy and updated as deemed necessary.

In measuring the exchange rate exposure of The Parent Bank, the “standard method” used in the legal reports and the internal method. The measurements made within the scope of the standard method are carried out monthly and the measurements made within the scope of VaR calculations are carried out on a daily basis. In addition, the maximum foreign currency position that can be taken is determined on the basis of currency types and table, and daily limit compliance control is carried out by Risk Management.

2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives

The Group hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments. The extent of the hedging of foreign currency debt instruments and net foreign currency investments by hedging derivative instruments is explained in Note III of Section Five.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

III. Explanations on Consolidated Foreign Exchange Risk (Continued)

3. The spot foreign exchange bid rates of the Parent Bank as of the balance sheet date and for each of the five days prior to that date

US Dollars purchase rate in the balance sheet date TL 35.2803
Euro purchase rate in the balance sheet date TL 36.7362

Date	US Dollar	Euro
31 December 2024	35.2803	36.7362
30 December 2024	35.2233	36.7429
27 December 2024	35.1368	36.6134
26 December 2024	35.2033	36.6076
25 December 2024	35.2162	36.6592

4. The basic arithmetical average of the Parent Bank’s foreign exchange bid rate for the last thirty days

The arithmetical average of the Parent Bank’s US Dollar and Euro purchase rates for December 2024 are TL 34.5176 and TL 36.7960 respectively.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

III. Explanations on Consolidated Foreign Exchange Risk (Continued)

5. Information on the consolidated foreign exchange risk

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank ⁽¹⁾	22,396,747	77,676,541	9,507,581	109,580,869
Due From Banks ⁽²⁾	5,875,649	8,293,948	1,249,430	15,419,027
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL) ⁽³⁾	1,421,568	4,159,011	14,696	5,595,275
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	20,053	26,696,419	-	26,716,472
Loans ⁽⁴⁾	147,156,674	139,732,220	151,764	287,040,658
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Assets Measured at Amortized Cost	2,549,578	33,921,949	-	36,471,527
Derivative Financial Assets Hedging Purposes	87,951	2,882,725	-	2,970,676
Tangible Assets	-	-	609	609
Intangible Assets	-	-	-	-
Other Assets ⁽⁵⁾	1,376,359	1,150,175	26,530	2,553,064
Total Assets	180,884,579	294,512,988	10,950,610	486,348,177
Liabilities				
Bank Deposits	5,807,078	36,521,526	1,360,555	43,689,159
Foreign Currency Deposits ⁽⁶⁾	58,159,538	103,240,384	68,374,209	229,774,131
Money Market Borrowings	-	48,467,653	-	48,467,653
Funds Provided from Other Financial Institutions	40,876,433	153,523,334	72,722	194,472,489
Securities Issued	4,322,847	60,914,408	9,938,508	75,175,763
Sundry Creditors	1,636,941	5,063,469	85,453	6,785,863
Derivative Fin. Liabilities Hedging Purposes	93,368	968,056	-	1,061,424
Other Liabilities ^{(7) (8)}	2,540,509	4,723,489	59,977	7,323,975
Total Liabilities	113,436,714	413,422,319	79,891,424	606,750,457
Net Balance Sheet Position	67,447,865	(118,909,331)	(68,940,814)	(120,402,280)
Net Off-Balance Sheet Position	(67,098,479)	121,825,990	70,625,850	125,353,361
Financial Derivative Assets	93,444,807	379,112,040	72,564,216	545,121,063
Financial Derivative Liabilities	160,543,286	257,286,050	1,938,366	419,767,702
Non-Cash Loans ⁽⁹⁾	37,805,837	32,428,494	2,763,460	72,997,791
Prior Period				
Total Assets	159,133,946	198,898,655	10,114,638	368,147,239
Total Liabilities	109,117,434	319,197,171	47,901,564	476,216,169
Net Balance Sheet Position	50,016,512	(120,298,516)	(37,786,926)	(108,068,930)
Net Off-Balance Sheet Position	(49,583,914)	127,035,807	37,901,309	115,353,202
Financial Derivative Assets	51,114,451	349,356,811	40,167,072	440,638,334
Financial Derivative Liabilities	100,698,365	222,321,004	2,265,763	325,285,132
Non-Cash Loans	27,572,890	24,389,074	1,967,965	53,929,929

⁽¹⁾ Cash and Balances with TR Central; Other FC include TL 8,841,832 (31 December 2023 - TL 7,765,222) precious metal deposit account.

⁽²⁾ Includes foreign bank guarantees amounting to TL 5,198,458 (31 December 2023 - TL 3,025,514).

⁽³⁾ Foreign exchange accruals of TL 1,151,109 (31 December 2023 - TL 788,259) for derivative financial instruments are not included.

⁽⁴⁾ It also includes foreign currency indexed loans amounting to TL 102,945 (31 December 2023 - TL 181,694), which are followed in TL in the balance sheet.

⁽⁵⁾ Does not include FC prepaid expenses amounting to TL 1,676,945 (31 December 2023 - TL 983,146) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006.

⁽⁶⁾ Foreign currency deposits include TL 59,806,204 (31 December 2023 - TL 34,499,557) of precious metal deposit account.

⁽⁷⁾ Other Liabilities do not include the Foreign Currency Index Factoring payables amounting to TL 2,549 (31 December 2023 - TL 4).

⁽⁸⁾ Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 2,397,734 (31 December 2023 - TL 237,761).

⁽⁹⁾ Does not have an effect on Net Off-balance Sheet Position.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

III. Explanations on Consolidated Foreign Exchange Risk (Continued)

6. Sensitivity to foreign exchange risk

The Bank is subject to exchange rate risk mainly from Euro and USD.

The table below shows the Bank's sensitivity to a 10% change in Euro and USD currencies. It is assumed that all other variables are constant.

	% change in the Foreign currency	Effect on Income/ Loss (After Tax)	Net Effect on Shareholders Equity ^(*)	Effect on Income/ Loss (After Tax)	Net Effect on Shareholders Equity ^(*)
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	(134,861)	(87,204)	(11,158)	(19,607)
	10% decrease	134,861	87,204	11,158	19,607
EURO	10% increase	18,243	16,890	25,549	31,897
	10% decrease	(18,243)	(16,890)	(25,549)	(31,897)

^(*) Effect on Shareholders Equity include the effect of the change of exchange rates on the statement of profit or loss and other comprehensive income.

IV. Explanations on Consolidated Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Parent Bank's position is managed by the Asset/Liability Committee of the Parent Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held monthly by taking the market developments into consideration. The management of the Parent Bank follows the interest rates in the market on a daily basis and revises interest rates of the Parent Bank when necessary.

The Parent Bank funds its growing long-term fixed-interest TL loan portfolio with long-term (up to 10 years) foreign currency resources obtained from international markets, as well as customer deposits. The Parent Bank changes the foreign currency liquidity obtained from the international markets and customer deposits to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk. The Parent Bank hedges its portfolio of foreign currency fixed interest rate securities by using interest rate swaps to hedge a certain portion of its foreign currency fixed interest rate securities portfolio in line with the Parent Bank's strategy and market expectations, excluding Türkiye credit interest rate spread risk.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

IV. Explanations on Consolidated Interest Rate Risk (Continued)

Interest Rate Sensitivity of Assets, Liabilities and off-Balance Sheet Items

(Based on repricing dates)

End of Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽¹⁾	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽²⁾	72,629,814	-	-	-	-	180,444,299	253,074,113
Due from Banks ⁽³⁾	8,696,253	556,315	-	-	-	11,421,829	20,674,397
Financial Assets at Fair Value Through Profit/Loss ⁽⁴⁾	2,645,478	3,651,736	3,110,603	1,887,384	254,948	11,118,740	22,668,889
Money Market Placements ⁽⁵⁾	601,134	-	-	-	-	(27)	601,107
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) ⁽⁶⁾	22,737,548	37,405,641	24,436,859	22,815,720	33,333,767	5,479,426	146,208,961
Loans and Receivables	297,217,154	130,861,464	326,911,893	135,283,833	15,972,007	4,954,101	911,200,452
Financial Assets Measured at Amortized Cost ⁽⁷⁾	60,188,747	3,775,365	5,555,988	28,769,208	18,489,601	12,496,927	129,275,836
Other Assets	12,110	15,685	18,054	10,221	-	71,332,702	71,388,772
Total Assets	464,728,238	176,266,206	360,033,397	188,766,366	68,050,323	297,247,997	1,555,092,527
Liabilities							
Bank Deposits	35,771,868	19,119,979	1,971,644	-	-	706,631	57,570,122
Other Deposits	387,632,883	126,863,085	11,546,974	2,209,446	962	292,611,253	820,864,603
Money Market Borrowings	103,200,181	22,642,737	21,899,931	365,096	-	1,657,381	149,765,326
Miscellaneous Payables	6,509,311	-	-	-	-	51,496,383	58,005,694
Securities Issued	-	25,533,956	26,758,743	20,299,743	10,729,987	20,814	83,343,243
Funds Borrowed	55,040,130	52,953,853	92,838,378	3,374,067	-	3,757,123	207,963,551
Other Liabilities ⁽⁸⁾	17,044	24,607	70,452	1,649,918	-	175,817,967	177,579,988
Total Liabilities	588,171,417	247,138,217	155,086,122	27,898,270	10,730,949	526,067,552	1,555,092,527
On Balance Sheet Long Position	-	-	204,947,275	160,868,096	57,319,374	-	423,134,745
On Balance Sheet Short Position	(123,443,179)	(70,872,011)	-	-	-	(228,819,555)	(423,134,745)
Off-Balance Sheet Long Position	53,640,431	23,484,144	-	-	-	-	77,124,575
Off-Balance Sheet Short Position	-	-	(12,064,736)	(45,176,971)	(12,857,951)	-	(70,099,658)
Total Position	(69,802,748)	(47,387,867)	192,882,539	115,691,125	44,461,423	(228,819,555)	7,024,917

⁽¹⁾ Non-Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

⁽²⁾ Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank include amount of TL 26,672 expected loss provisions.

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 8,968.

⁽⁴⁾ Financial Assets at Fair Value Through Profit/Loss includes Derivative Financial Assets at Fair Value Through Profit or Loss amounting to TL 7,657,512.

⁽⁵⁾ Money Market Placements includes TL 27 expected loss provision balance.

⁽⁶⁾ Financial Assets Measured at Fair Value Through Other Comprehensive Income includes Derivative Financial Assets Through Other Comprehensive Income amounting to TL 3,373,865.

⁽⁷⁾ Financial Assets measured at amortized cost includes the balance of the expected loss provisions amounting to TL 17,722.

⁽⁸⁾ Other Liabilities includes Derivative Financial Liabilities amounting to TL 11,334,018.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

IV. Explanations on Consolidated Interest Rate Risk (Continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (Continued)

(Based on repricing dates)

End of Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽¹⁾	Total
Assets							
Cash (Cash in Vault, Foreign Currency, Cash in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽²⁾	67,348,689	-	-	-	-	95,212,950	162,561,639
Due from Banks ⁽³⁾	290,151	-	-	-	-	17,509,762	17,799,913
Financial Assets at Fair Value Through Profit/Loss ⁽⁴⁾	284,912	519,531	44,809	347,499	92,073	13,305,305	14,594,129
Money Market Placements ⁽⁵⁾	5,736,581	-	-	-	-	(147)	5,736,434
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) ⁽⁶⁾	16,070,800	18,622,711	4,848,359	6,954,344	20,954,420	5,952,542	73,403,176
Loans and Receivables	208,052,090	117,039,407	201,543,504	64,354,094	15,155,551	(3,398,480)	602,746,166
Financial Assets Measured at Amortized Cost ⁽⁷⁾	43,957,379	3,100,307	1,453,707	28,001,276	14,076,351	11,556,734	102,145,754
Other Assets	-	-	-	-	-	44,434,968	44,434,968
Total Assets	341,740,602	139,281,956	207,890,379	99,657,213	50,278,395	184,573,634	1,023,422,179
Liabilities							
Bank Deposits	9,311,620	12,040,967	2,880,962	-	-	1,350,352	25,583,901
Other Deposits	237,584,173	83,018,971	59,130,390	819,009	909	224,590,183	605,143,635
Money Market Borrowings	6,345,828	16,831,236	7,382,723	-	-	538,560	31,098,347
Miscellaneous Payables	9,632,206	-	-	-	-	29,139,056	38,771,262
Securities Issued	3,838,845	13,254,912	31,936,729	2,933,583	8,951,261	72,890	60,988,220
Funds Borrowed	37,254,947	44,955,154	40,442,643	5,574,856	15,455,056	2,180,102	145,862,758
Other Liabilities ⁽⁸⁾	21,223	46,187	46,002	1,141,848	-	114,718,796	115,974,056
Total Liabilities	303,988,842	170,147,427	141,819,449	10,469,296	24,407,226	372,589,939	1,023,422,179
On Balance Sheet Long Position	37,751,760	-	66,070,930	89,187,917	25,871,169	-	218,881,776
On Balance Sheet Short Position	-	(30,865,471)	-	-	-	(188,016,305)	(218,881,776)
Off-Balance Sheet Long Position	19,835,953	18,373,541	9,687,177	-	-	-	47,896,671
Off-Balance Sheet Short Position	-	-	(118,145)	(38,843,194)	(4,924,821)	-	(43,886,160)
Total Position	57,587,713	(12,491,930)	75,639,962	50,344,723	20,946,348	(188,016,305)	4,010,511

⁽¹⁾ Non-Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

⁽²⁾ Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank include amount of TL 18,072 expected loss provisions.

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 12,939.

⁽⁴⁾ Financial Assets at Fair Value Through Profit/Loss includes Derivative Financial Assets at Fair Value Through Profit or Loss amounting to TL 8,888,204.

⁽⁵⁾ Money Market Placements includes TL 147 expected loss provision balance.

⁽⁶⁾ Financial Assets Measured at Fair Value Through Other Comprehensive Income includes Derivative Financial Assets Through Other Comprehensive Income amounting to TL 4,092,746.

⁽⁷⁾ Financial Assets measured at amortized cost includes the balance of the expected loss provisions amounting to TL 26,015.

⁽⁸⁾ Other Liabilities includes Derivative Financial Liabilities amounting to TL 4,995,729.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

IV. Explanations on Consolidated Interest Rate Risk (Continued)

Average interest rates applied to monetary financial instruments

End of Current Period	EUR (%)	USD (%)	JPY (%)	TL (%)
Assets				
Cash (Cash in Vault, Foreign Currency Cash in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	2.00	-	-	24.54
Due from Banks	-	-	-	46.45
Financial Assets Measured at Fair Value through Profit/Loss	3.48	5.66	-	52.80
Money Market Placements	-	-	-	48.97
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.77	6.52	-	49.63
Loans and Receivables	6.78	7.66	2.50	49.78
Financial Assets Measured at Amortized Cost	4.73	6.02	-	40.51
Liabilities				
Bank Deposits	4.32	5.70	-	46.81
Other Deposits	0.03	0.07	0.05	45.43
Money Market Borrowings	-	5.67	-	48.64
Miscellaneous Payables	2.05	4.12	-	-
Securities Issued	4.60	7.25	-	49.56
Funds Borrowed	4.79	7.15	-	48.94

End of Prior Period	EUR (%)	USD (%)	JPY (%)	TL (%)
Assets				
Cash (Cash in Vault, Foreign Currency Cash in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	2.00	-	-	-
Due from Banks ^(*)	-	-	-	18.36
Financial Assets Measured at Fair Value through Profit/Loss	4.92	7.69	-	33.33
Money Market Placements	-	-	-	43.28
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.77	6.31	-	43.90
Loans and Receivables	7.32	9.28	4.92	39.41
Financial Assets Measured at Amortized Cost	4.73	5.61	-	47.07
Liabilities				
Bank Deposits	5.21	7.14	-	40.94
Other Deposits	1.01	2.60	0.05	37.18
Money Market Borrowings	-	6.55	-	22.33
Miscellaneous Payables	3.57	5.05	-	-
Securities Issued	6.76	8.59	-	39.40
Funds Borrowed	5.69	8.20	-	43.92

^(*) All reserve provision balances are taken into consideration in the calculation of average interest rate.

Interest rate risk on banking book

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Parent Bank analyzes all these risks periodically and manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy by considering market conditions. To ensure these, risks are measured, monitored and limited on a regular basis within the scope of “Asset Liability Management Policy”.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated twice a month, analysis of the standard economic value approach is supported by different scenarios.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

IV. Explanations on Consolidated Interest Rate Risk (Continued)

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI) included in banking book are monitored daily. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal interest rate and limits.

The interest rate risk on banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method” published in the Official Gazette No. 28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly to the Assets and Liability Committee, the Risk Committee and the Board of Directors.

In calculations within the framework of the mentioned regulation, behavioral maturity modeling is carried out for demand deposits with low sensitivity to interest rate changes and with a principal maturity longer than the contract maturity. In the studies defined as core deposit analysis, based on historical data, analyses are conducted regarding how much of demand deposits will remain within the Parent Company Bank at which maturity. These analyses are taken into account in economic value, gap, and duration analyses. Additionally, the net interest income sensitivity is monitored, and the early repayment rates of loans are considered in interest rate risk management.

All these analyzes are presented to the Assets and Liabilities Committee and the Risk Committee, and the interest rate risk arising from banking accounts is managed within the limits determined in line with the Bank’s risk appetite, in line with the bank’s strategy, taking market conditions into account.

Currency	Shocks Applied (+/- x basis points)	Income/Loss	Incomes/Equity- Losses/Equity
1. TL	+500	(5,166,867)	(3.31%)
	-400	4,733,840	3.04%
2. EURO	+200	(843,698)	(0.54%)
	-200	1,429,919	0.92%
3. USD	+200	(640,411)	(0.41%)
	-200	790,982	0.51%
Total (of negative shocks)		6,954,740	(4.46%)
Total (of positive shocks)		(6,650,976)	(4.27%)

V. Explanations on Consolidated Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Carrying Value	Comparison Fair Value	Carrying Value
1. Equity Investments Group A	312,219	-	312,219
Quoted Securities	312,219	-	312,219
2. Equity Investments Group B	-	-	-
Quoted Securities	-	-	-
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other^(*)	566,487	-	-

^(*) Includes associates and subsidiaries not quoted to BIST and not classified as investment in shares by Capital Market Board.

Portfolio	Income/Loss in Current Period	Revaluation Surpluses		Unrealized Incomes and Losses	
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital
1. Private Equity Investments	-	-	-	-	-
2. Quoted Shares	199,761	-	-	3,913	-
3. Other Shares	-	-	-	-	-
4. Total	199,761	-	-	3,913	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio

Liquidity Risk of the Parent Bank is monitored and managed in accordance with Liquidity Risk Management Policy. According to this policy, Board of Directors is responsible to review and approve risk profile and appetite of the Parent Bank periodically. Senior Management takes necessary measures to monitor aforementioned risk and controls liquidity risk in line with accepted strategies and policies.

Treasury Department is responsible to carry out liquidity strategy determined and approved by Board of Directors. Risk Management Department is responsible to define, measure, monitor and control liquidity risk besides developing internal and external methods and procedures which are in line with context and structure of applicable activities in The Parent Bank in order to monitor related limits. Senior management of The Parent Bank is informed periodically regarding current liquidity risk amount exposed in order to ensure being under the approved limits of the Parent Bank's liquidity risk profile. Assets and Liabilities Committee (ALCO) meetings, which ensure the necessary monitoring for liquidity risk, are held monthly. Risk Committee reviews the liquidity risk of the Parent Bank monthly in addition to aforementioned meetings and informs Board of Directors. The Parent Bank reviews its liquidity position daily. Internal and legal reports related to liquidity positions are examined in ALCO meetings monthly with the participation of senior management. Several decisions are taken related to management of short- and long-term liquidity in this scope. Internal metrics such as reserve liquidity and deposit concentration are monitored daily besides liquidity coverage rate related to measurement of liquidity coverage. Internal limit and warning level are periodically monitored and reported to related parties by the Board of Directors.

The liquidity management of the Parent Bank is decentralized; each partnership controlled by the Parent Bank is carried out independently from the Parent Bank by the authorities in charge of liquidity management. Each subsidiary subject to consolidation manages its own liquidity position separately from the Parent Bank. The amount of funds to be used by the subsidiaries from the Parent Bank is determined within the framework of the limits.

It is essential for the Parent Bank to monitor its liquidity position and funding strategy consistently. The primary priority is for the liquidity risk faced by the Parent Company Bank to be in line with the risk appetite arising from the risk capacity determined within the limits prescribed by regulations and aligned with the fundamental strategies of the Parent Company Bank. It is essential for the Parent Company Bank to maintain a sufficient level of readily marketable or repoable liquid assets at all times to address significant decreases in liquidity sources.

Funding management of the Parent Bank is carried out in line with limits and internal warning systems within the framework of ALCO decisions. Funding and placement strategies are developed through evaluating the liquidity of the Parent Bank. While developing this strategy, it is aimed to provide funding from long-term and stable sources as much as possible. Deposits, which constitute the main fund source of the Parent Bank, are obtained from a large number of customers as a natural result of the stable core deposit base.

A large part of the Parent Bank's liabilities consists of TL, USD and EUR. Gap reports issued based on the aforementioned three currencies are presented in ALCO meetings. Maturity mismatches based on currencies are managed through FX swap and FX forward.

The Parent Bank diversifies its funding sources as customer deposits, foreign loans and bond issuance in order to reduce its liquidity risk. Measures are taken through making investments to assets having higher capacity to generate cash against liquidity crisis. The Parent Bank watches over reducing customer deposit concentration and controls concentration level daily in line with warning level approved by the Board of Directors

Liquidity life cycle approach is determined as the liquidity risk stress test methodology. This approach is a stress test to measure the period in which the Parent Bank can meet its cumulative cash outflows without providing a fund from the market. Liquidity life cycle is calculated according to various scenarios and simulated in line with possible scenarios in crisis situation and the results are reported to Risk Committee and Board of Directors.

Emergency Funding Plan (EMP) of the Parent Bank regulates funding activities to be used in liquidity crisis periods specific to the Parent Bank or in liquidity crisis at financial markets. EMP defines components triggering the crisis and early warning indicators which help to evaluate and manage the liquidity crisis and determine primary funding structure. EMP also defines actions of the Parent Bank against cash and guarantee need. In addition to aforementioned issues, EMP determines duties and responsibilities in performing actions in a liquidity crisis included in risk management and emergency funding plan.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

The cautious liquidity management against potential financial fluctuations in the market has been one of the main priorities of the Parent Bank. The Parent Bank manages LCR above the limit by keeping its high quality liquid assets at a sufficient level. The Parent Bank has created four different stress test scenarios that measure how long it can meet the cumulative cash outflows without any new funds from the market or by providing very low levels of funds. In scenarios created by observing financial movements in the past and using statistical analysis, it has been observed that the Parent Bank withstands stress over the minimum life expectancy of 30 days.

Liquidity Coverage Ratio

Current Period - 31 December 2024		Unweighted Amounts ^(*)		Weighted Amounts ^(*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				292.261.741	127.627.116
1.	High Quality Liquid Assets			292.261.741	127.627.116
CASH OUTFLOWS					
2.	Retail and Small Business Customers Deposits	594,738,806	169,526,464	52,531,857	16,952,646
3.	Stable deposits	138,840,463	-	6,942,023	-
4.	Less stable deposits	455,898,343	169,526,464	45,589,834	16,952,646
5.	Unsecured Funding other than Retail and Small Business Customers Deposits	289,584,934	114,434,650	184,884,564	79,254,757
6.	Operational deposits	8,077,770	1,371,689	2,019,443	342,922
7.	Non-Operational Deposits	211,754,114	88,935,354	125,968,070	56,296,091
8.	Other Unsecured Funding	69,753,050	24,127,607	56,897,051	22,615,744
9.	Secured funding	-	-	-	-
10.	Other Cash Outflows	66,045,096	28,812,105	66,045,096	28,812,105
11.	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	66,045,096	28,812,105	66,045,096	28,812,105
12.	Debts related to the structured financial products	-	-	-	-
13.	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14.	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	105,489,843	-	5,274,492	-
15.	Other irrevocable or conditionally revocable commitments	995,870,367	76,501,216	60,207,083	7,652,559
16.	TOTAL CASH OUTFLOWS	-	-	368,943,092	132,672,067
CASH INFLOWS					
17.	Secured Lending Transactions	44	-	-	-
18.	Unsecured Lending Transactions	135,005,921	41,850,467	79,005,193	29,760,951
19.	Other contractual cash inflows	64,154,682	45,622,708	64,154,682	45,622,708
20.	TOTAL CASH INFLOWS	199,160,647	87,473,175	143,159,875	75,383,659
				Upper Limit Applied Values	
21.	TOTAL HIGH QUALITY LIQUID ASSETS			292,261,741	127,627,116
22.	TOTAL NET CASH OUTFLOWS			225,783,240	57,368,095
23.	LIQUIDITY COVERAGE RATIO (%)			129.44	222.47

^(*) Simple arithmetic average calculated for the last three month of values calculated by taking the weekly simple arithmetic average.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

Prior Period - 31 December 2023		Unweighted Amounts ^(*)		Weighted Amounts ^(*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				226,954,519	96,634,210
1.	High Quality Liquid Assets			226,954,519	96,634,210
CASH OUTFLOWS					
2.	Retail and Small Business Customers Deposits	418,935,463	143,837,583	37,985,050	14,383,758
3.	Stable deposits	78,169,924	-	3,908,496	-
4.	Less stable deposits	340,765,539	143,837,583	34,076,554	14,383,758
5.	Unsecured Funding other than Retail and Small Business Customers Deposits	171,374,911	87,406,198	104,284,664	52,799,094
6.	Operational deposits	5,298,002	1,285,799	1,324,501	321,450
7.	Non-Operational Deposits	125,280,384	70,040,560	71,135,856	36,971,014
8.	Other Unsecured Funding	40,796,525	16,079,839	31,824,307	15,506,630
9.	Secured funding	-	-	65,702	65,702
10.	Other Cash Outflows	63,318,490	17,344,317	63,318,490	17,344,317
11.	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	63,318,490	17,344,317	63,318,490	17,344,317
12.	Debts related to the structured financial products	-	-	-	-
13.	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14.	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	198,937,489	102,556,820	9,946,874	5,127,841
15.	Other irrevocable or conditionally revocable commitments	544,562,139	52,540,338	34,456,584	5,123,889
16.	TOTAL CASH OUTFLOWS	-	-	250,057,364	94,844,601
CASH INFLOWS					
17.	Secured Lending Transactions	92,017	-	-	-
18.	Unsecured Lending Transactions	87,592,456	30,500,894	53,290,987	22,227,877
19.	Other contractual cash inflows	61,797,454	50,431,813	61,797,454	50,431,814
20.	TOTAL CASH INFLOWS	149,481,927	80,932,707	115,088,441	72,659,691
				Upper Limit Applied Values	
21.	TOTAL HIGH QUALITY LIQUID ASSETS			226,954,519	96,634,210
22.	TOTAL NET CASH OUTFLOWS			134,968,923	26,905,185
23.	LIQUIDITY COVERAGE RATIO (%)			168.15	359.17

^(*) Simple arithmetic average calculated for the last three month of values calculated by taking the weekly simple arithmetic average.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

Consolidated liquidity coverage ratios related to last three months of 2023 are calculated weekly and explained in the table below according to “Regulation on Liquidity Coverage Ratio Calculation” published in the Official Gazette No. 28948, dated 21 March 2014.

	Maximum	Date	Minimum	Date	Average
TL+FC	162.38	02/10/2024	109.06	02/12/2024	130.66
FC	421.62	31/12/2024	157.62	14/11/2024	233.81

Liquidity coverage ratio is regulated by the BRSA to make sure that the banks sustain high quality liquid asset stock to cover probable cash outflows in the short term.

All of the Parent Bank’s high quality liquid assets are comprised of first quality liquid assets, most of which are CBRT accounts and securities that are issued by the Turkish Treasury that have not been collateralized. Fluctuations in repo amount lead up to periodical variations in liquidity coverage ratio. Additionally syndication loans and large amount funds such as foreign bond issuances that have less than 1 month to maturity, lead up to short term fall in liquidity coverage ratios.

Funding sources of the Parent Bank mainly consist of deposits which constitute 56% of total liabilities of the Group (31 December 2023 - 62%) and also include repo, secured loans, syndication, bond/security issuance and other instruments including subordinated debts.

The Parent Bank effectively uses derivative transactions to manage interest and liquidity risk. Impact of derivative cash flows in terms of liquidity coverage ratio is limited. However, FX swaps used in short term foreign currency liquidity management cause liquidity coverage ratio to fluctuate due to changes in volume and one month maturity. In addition, possible cash outflow caused by margin call requirements of derivative transactions is taken into consideration in accordance with the respective regulations.

At The Parent Bank, Secured funding consists of repo and secured loan transactions. A large part of securities which are subjects of aforementioned guaranteed funding transactions consist of Sovereign Bonds issued by Treasury of the Republic of Türkiye and transactions are carried out both in CBRT market and interbank market.

The Parent Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Parent Bank are included in liquidity coverage ratio tables above.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated ⁽¹⁾	Total
Assets								
Cash (Cash in Vault, Foreign Currency, Cash in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽²⁾	180,470,971	72,629,814	-	-	-	-	(26,672)	253,074,113
Due from Banks ⁽³⁾	10,988,526	9,080,308	614,531	-	-	-	(8,968)	20,674,397
Financial Assets at Fair Value Through Profit/Loss ⁽⁴⁾	3,530,516	641,703	1,042,585	3,994,028	9,080,234	3,503,441	876,382	22,668,889
Money Market Placements	-	601,134	-	-	-	-	(27)	601,107
Financial Assets Measured at Fair Value through Other Comprehensive Income ⁽⁵⁾	17,105	712,459	86,313	2,398,410	84,880,162	58,114,512	-	146,208,961
Loans and Receivables ⁽⁶⁾	-	317,765,184	133,190,856	302,284,432	148,951,192	25,237,946	(16,229,158)	911,200,452
Financial Assets Measured at Amortized Cost ⁽⁷⁾	-	307,500	3,592,823	9,539,919	64,238,888	51,614,428	(17,722)	129,275,836
Other Assets	-	28,491,291	1,268,203	2,131,554	1,987,913	1,746	37,508,065	71,388,772
Total Assets	195,007,118	430,229,393	139,795,311	320,348,343	309,138,389	138,472,073	22,101,900	1,555,092,527
Liabilities								
Bank Deposits	297,324	36,024,090	19,237,262	2,011,446	-	-	-	57,570,122
Other Deposits	277,384,180	396,993,368	131,237,060	12,783,357	2,465,615	1,023	-	820,864,603
Funds Borrowed	-	14,289,365	22,669,876	113,372,499	54,036,985	3,415,775	179,051	207,963,551
Money Market Borrowings	-	104,081,089	20,856,555	19,272,732	5,554,950	-	-	149,765,326
Securities Issued	-	-	20,351,533	26,758,743	25,502,980	10,729,987	-	83,343,243
Miscellaneous Payables	-	57,421,458	-	-	-	-	584,236	58,005,694
Other Liabilities ⁽⁸⁾	-	26,534,167	3,332,165	4,144,518	7,279,490	3,011,966	133,277,682	177,579,988
Total Liabilities	277,681,504	635,343,537	217,684,451	178,343,295	94,840,020	17,158,751	134,040,969	1,555,092,527
Liquidity Excess/Gap	(82,674,386)	(205,114,144)	(77,889,140)	142,005,048	214,298,369	121,313,322	(111,939,069)	-
Net Off-Balance Sheet Position⁽⁹⁾	-	(1,793,284)	(2,548,205)	(1,974,294)	4,612,290	-	-	(1,703,493)
Receivables from financial derivative instruments	-	159,751,228	92,463,868	105,864,367	208,101,941	56,881,598	-	623,063,002
Liabilities from derivative financial instruments	-	161,544,512	95,012,073	107,838,661	203,489,651	56,881,598	-	624,766,495
Non Cash Loans⁽¹⁰⁾	-	6,510,328	19,105,709	55,957,744	19,256,355	2,107,581	38,920,768	141,858,485
Prior period								
Total Assets	112,459,543	297,454,540	99,345,089	199,547,613	205,113,424	96,082,787	13,419,183	1,023,422,179
Total Liabilities	212,707,521	323,512,042	146,625,894	196,974,099	32,589,853	13,976,083	97,036,687	1,023,422,179
Liquidity Excess/Gap	(100,247,978)	(26,057,502)	(47,280,805)	2,573,514	172,523,571	82,106,704	(83,617,504)	-
Net Off-Balance Sheet Position⁽¹⁰⁾	-	(222,100)	(3,969,857)	2,261,081	2,189,004	-	-	258,128
Receivables from financial derivative instruments	-	139,318,231	131,653,442	91,896,625	92,873,258	69,479,815	-	525,221,371
Liabilities from derivative financial instruments	-	139,540,331	135,623,299	89,635,544	90,684,254	69,479,815	-	524,963,243
Non Cash Loans⁽¹¹⁾	-	7,522,893	14,448,579	39,206,652	13,000,054	1,178,206	27,122,662	102,479,046

⁽¹⁾ The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, office stationery, and prepaid expenses are classified under "Unallocated" column. Unallocated other liabilities include equities amounting to TL 119,030,646 (31 December 2023 - TL 81,634,480), unallocated provisions amounting to TL 17,282,733 (31 December 2023 - TL 15,305,688) and deferred tax liabilities amounting to TL 3,915,992 (31 December 2023 - TL 2,493,475).

⁽²⁾ Cash (Cash in Vault, Foreign Currency Cash, Cash in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank include expected loss provisions amounting to TL 26,672 (31 December 2023 - TL 18,072).

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 8,968 (31 December 2023 - TL 12,939).

⁽⁴⁾ Financial assets at fair value through profit/loss include derivative financial assets through profit loss amounting to TL 7,657,512 - (31 December 2023 - TL 8,888,204).

⁽⁵⁾ Receivables from Money Markets include the expected loss provisions balance of TL 27. (31 December 2023 - TL 147).

⁽⁶⁾ Financial assets at fair value through other comprehensive income include derivative financial assets through other comprehensive income amounting to TL 3,373,865 - (31 December 2023 - TL 4,092,746).

⁽⁷⁾ Loans and receivables include leasing and factoring receivables.

⁽⁸⁾ Financial assets measured at amortized cost include TL 17,722 (31 December 2023 - TL 26,015) of expected loss provisions.

⁽⁹⁾ Other Liabilities also includes the portion of derivative financial liabilities at fair value through other comprehensive income amounting to TL 11,334,018 (31 December 2023 - TL 4,995,729).

⁽¹⁰⁾ Liquidity excess/(deficit) related to Derivative Financial Instruments constituting Net Off-Balance positions are included in Liquidity Excess/(deficit) through valuations of related transactions to balance sheet.

⁽¹¹⁾ Amounts related to letter of guarantees represent contractual maturities and amounts included in aforementioned maturities and they have on demand and optionally withdrawable nature.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

The net stable funding ratio (NSFR), which is a complementary liquidity measurement method to the LCR that measures banks' resilience to short-term liquidity shocks and is calculated by taking maturity matching into account, was legally shared as of 1 January 2024. The BRSA has set out the principles and procedures for banks to ensure stable funding in order to prevent the deterioration of their liquidity levels due to the funding risk that they may be exposed to on a consolidated and unconsolidated basis in the long term. Pursuant to the “Regulation on Banks' Calculation of Net Stable Funding Ratio” published in the Official Gazette No. 32202 dated 26 May 2023, the three-month simple arithmetic average of the consolidated and unconsolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than 100% as of March, June, September and December.

The Net Stable Funding Ratio (NSFR) is calculated by dividing the amount of available stable funding (ASF) by the required stable funding (RSF). Available stable funding refers to the portion of banks' liabilities and equity expected to be stable, while required stable funding refers to the portion of banks' on-balance sheet assets and off-balance sheet liabilities expected to need funding. The available stable funding balance is calculated by weighting the book values of banks' liabilities and equity components according to the ASF factors specified in the notification table published by the Banking Regulation and Supervision Agency (BRSA). The required stable funding amount is calculated by weighting the maturities and liquidity characteristics of the bank's assets according to the RSF factors. The largest components of a bank's available stable funding are capital, long-term borrowings, and customer deposits.

Current Year	Unweighted Amount According to Residual Maturity				Total Weighted Amount Applied	
	Available Stable Funding	Demand	Residual Maturity Less than 6 Months	Residual Maturity of 6 Months and Longer But Less Than 1 Year		Residual Maturity of 1 Year and More
1.	Capital Instruments	168,239,078	-	-	-	168,239,078
2.	Tier 1 and Tier 2 Capital	168,239,078	-	-	-	168,239,078
3.	Other Capital Instruments	-	-	-	-	-
4.	Real-person and Retail Customer Deposits	201,208,885	401,490,157	4,078,393	2,523,202	556,547,059
5.	Stable Deposit/Participation Fund	16,943,699	144,157,107	1,471,784	957,126	155,353,230
6.	Low Stable Deposit/Participation Fund	184,265,186	257,333,050	2,606,609	1,566,076	401,193,829
7.	Obligations to Other Parties	11,450,582	-	263,934,276	67,415,334	205,107,763
8.	Operational Deposit/Participation Fund	11,450,582	-	-	-	5,725,291
9.	Other Obligations	-	-	263,934,276	67,415,334	199,382,472
10.	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11.	Other Liabilities	-	6,851,660	-	45,112,485	-
12.	Derivative Liabilities	-	-	6,851,660	-	-
13.	All other equity not included in the above categories	-	-	-	45,112,485	-
14.	Available Stable Funding					929,893,900
Required Stable Funding						
15.	High Quality Liquid Assets	-	-	-	-	11,501,530
16.	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	-	-	-	-	-
17.	Performing Loans	312,219	474,897,865	131,371,118	402,337,462	634,793,531
18.	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	36,706,011	-	9,128,810	14,634,712
19.	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	50,515,325	10,204,244	35,461,907
20.	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	438,191,854	80,855,793	378,739,185	581,615,495
21.	Loans with a risk weight of less than or equal to 35%	-	-	-	-	-
22.	Residential mortgages	-	-	-	3,500,662	2,275,430
23.	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-	-
24.	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	312,219	-	-	764,561	805,987
25.	Assets equivalent to interconnected liabilities	-	-	-	-	-
26.	Other Assets	95,204,921	7,903,728	-	1,310,974	104,364,741
27.	Physical traded commodities, including gold	261,351	-	-	-	222,149
28.	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty	-	-	104,528	-	88,849
29.	Derivative Assets	-	-	7,903,728	-	7,903,728
30.	Derivative Liabilities Before Deduction of Variation Margin	-	-	1,206,446	-	1,206,446
31.	Other Assets not Included Above	94,943,569	-	-	-	94,943,569
32.	Off-balance sheet commitments	-	-	1,152,819,178	-	57,640,959
33.	Required Stable Funding					808,300,761
34.	Net Stable Funding Rate (%)					115.04%



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

Prior Year Demand	Unweighted Amount According to Residual Maturity				Total Weighted Amount Applied	
	Residual Maturity Less than 6 Months	Residual Maturity of 6 Months and Longer But Less Than 1 Year	Residual Maturity of 1 Year and More			
Available Stable Funding						
1.	Capital Instruments	120,546,748	-	-	-	120,546,748
2.	Tier 1 and Tier 2 Capital	120,546,748	-	-	-	120,546,748
3.	Other Capital Instruments	-	-	-	-	-
4.	Real-person and Retail Customer Deposits	154,183,744	279,923,393	6,130,313	766,307	401,154,561
5.	Stable Deposit/Participation Fund	8,664,635	74,492,932	1,639,268	226,757	80,772,412
6.	Low Stable Deposit/Participation Fund	145,519,109	205,430,461	4,491,045	539,550	320,382,149
7.	Obligations to Other Parties	5,750,285	-	227,663,758	37,039,799	153,746,820
8.	Operational Deposit/Participation Fund	5,750,285	-	-	-	2,875,142
9.	Other Obligations	-	-	227,663,758	37,039,799	150,871,678
10.	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11.	Other Liabilities	-	955,611	1,140,416	21,467,694	-
12.	Derivative Liabilities	-	-	4,063,108	-	-
13.	All other equity not included in the above categories	-	-	-	19,500,614	-
14.	Available Stable Funding					675,448,129
Required Stable Funding						
15.	High Quality Liquid Assets					6,246,202
16.	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	-	-	-	-	-
17.	Performing Loans	274,661	302,215,299	119,030,507	271,653,333	435,645,375
18.	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	28,411,443	-	20,891,076	25,107,630
19.	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	30,593,091	8,462,750	23,759,296
20.	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	273,803,856	88,437,416	239,443,382	384,757,171
21.	Loans with a risk weight of less than or equal to 35%	-	-	-	2,718,794	1,767,216
22.	Residential mortgages	-	-	-	2,718,794	1,767,216
23.	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-	-
24.	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	274,661	-	-	137,331	254,062
25.	Assets equivalent to interconnected liabilities	-	-	-	-	-
26.	Other Assets	57,790,422	-	-	-	65,186,379
27.	Physical traded commodities, including gold	433,897	-	-	-	368,813
28.	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty	-	-	598,373	-	508,617
29.	Derivative Assets	-	-	6,452,209	-	6,452,209
30.	Derivative Liabilities Before Deduction of Variation Margin	-	-	500,216	-	500,216
31.	Other Assets not Included Above	57,356,524	-	-	-	57,356,524
32.	Off-balance sheet commitments	-	-	766,703,957	-	38,335,198
33.	Required Stable Funding					545,413,154
34.	Net Stable Funding Rate (%)					123.84%

Net stable funding ratio for the last three months including the reporting period was 116.11% (31 December 2023 - 123.44%).

The Group's Net Stable Funding Ratio (NSFR) declined from 123.84% to 115.04% on a consolidated basis and continued to hover above the legal limit (100%). The development of the ratio is influenced by factors such as the development of major balance sheet items such as loans and deposits between periods, changes in the maturity structure of the balance sheet and asset collateralization. During the period in question, NSFR decreased due to the shortening of the maturity of debt instruments with a remaining maturity of more than 1 year and the increase in the loan/deposit ratio.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

Financial Liabilities according to the remaining maturities on the contract

The table below shows the maturity breakdown of the Bank’s financial liabilities that are not classified as derivatives. These tables were prepared by taking the closest dates that the Bank will recognize its future cash flows. The interest payable through the said assets and liabilities are included in the tables below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and longer	Total	Balance Sheet Value
Bank Deposits	297,324	36,181,507	19,410,998	2,066,765	-	-	57,956,594	57,570,122
Other Deposits	277,384,180	401,988,982	137,860,210	14,751,955	3,748,513	2,899	835,736,739	820,864,603
Payables to Money Market	-	104,235,402	21,067,876	21,689,694	5,890,649	-	152,883,621	149,765,326
Funds from other Financial Institutions	-	14,304,711	22,708,080	113,558,227	54,231,447	3,415,775	208,218,240	207,963,551
Securities Issued	-	8,580	20,867,466	30,216,831	34,671,068	15,135,248	100,899,193	83,343,243
Noncash Loans ^(*)	38,920,768	6,510,328	19,105,709	55,957,744	19,256,355	2,107,581	141,858,485	141,858,485

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and longer	Total	Balance Sheet Value
Bank Deposits	1,126,701	9,416,723	12,288,330	3,022,266	-	-	25,854,020	25,583,901
Other Deposits	211,580,821	245,426,593	91,546,564	70,559,490	1,215,417	1,289	620,330,174	605,143,635
Payables to Money Market	-	4,350,976	17,808,051	4,494,736	6,784,102	-	33,437,865	31,098,347
Funds from other Financial Institutions	-	13,949,648	17,129,326	112,019,923	20,086,384	2,699,216	165,884,497	145,862,758
Securities Issued	-	3,867,462	12,774,637	35,518,366	6,883,018	13,578,370	72,621,853	60,988,220
Noncash Loans ^(*)	27,122,663	7,522,893	14,448,578	39,206,652	13,000,054	1,178,206	102,479,046	102,479,046

^(*) Amounts related to letters of guarantee represent maturities based on contract and amounts per these maturities and the amounts have the nature to be withdrawn on demand optionally.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VI. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio (Continued)

Financial Liabilities according to the remaining maturities on the contract (Continued)

The table below shows the remaining maturity breakdown of the Bank's derivative assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total
Forward contracts buying ^(*)	36,762,328	13,008,299	16,552,413	1,061,122	(2,493,408)	64,890,754
Forward contracts selling ^(**)	(37,043,064)	(14,367,170)	(19,786,359)	(1,135,083)	2,610,742	(69,720,934)
Swap contracts buying ^(*)	149,381,098	67,418,697	71,980,969	207,145,383	53,700,890	549,627,037
Swap contracts selling ^(*)	(148,647,616)	(66,493,101)	(72,315,275)	(203,378,722)	(53,700,890)	(544,535,604)
Futures buying	-	324,986	7,479	-	-	332,465
Futures selling	-	(278,685)	(9,682)	-	-	(288,367)
Options buying	4,709,260	15,829,676	16,454,001	110,209	-	37,103,146
Options selling	(4,763,930)	(17,239,860)	(16,952,528)	(175,375)	-	(39,131,693)
Other	-	-	-	-	-	-
Total	398,076	(1,797,158)	(4,068,982)	3,627,534	117,334	(1,723,196)

^(*) Derivative financial assets held for hedges are included.

^(**) Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward contracts buying ^(*)	10,138,764	8,821,169	12,095,862	1,078,087	-	32,133,882
Forward contracts selling ^(**)	(10,165,416)	(8,520,114)	(10,906,251)	(820,724)	-	(30,412,505)
Swap contracts buying ^(*)	134,516,388	114,979,300	72,811,275	93,597,783	66,909,233	482,813,979
Swap contracts selling ^(*)	(134,418,139)	(119,213,162)	(71,730,558)	(91,988,475)	(67,078,841)	(484,429,175)
Futures buying	-	7,147,722	757,596	101,317	-	8,006,635
Futures selling	-	(6,843,480)	(652,380)	(70,298)	-	(7,566,158)
Options buying	418,572	1,210,190	6,113,746	-	-	7,742,508
Options selling	(443,509)	(1,252,278)	(5,168,827)	-	-	(6,864,614)
Other	-	-	1,177,528	-	-	1,177,528
Total	46,660	(3,670,653)	4,497,991	1,897,690	(169,608)	2,602,080

^(*) Derivative financial assets held for hedges are included.

^(**) Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VII. Explanations on Consolidated Leverage Ratio

a) Information in regards to the differences between current period and prior period leverage ratio

The Group's leverage ratio, calculated in accordance with the “Regulation on Measurement and Evaluation of Bank's Leverage Levels” is 5.07% (31 December 2023 - 5.41%). Subject level is above the minimum requirement which is determined as 3% by the regulation. Difference between current period and prior period leverage ratios is mostly due to increase in risk amounts of balance sheet asset items.

b) Summary comparative table for total asset and total risk amount in consolidated financial statements prepared in accordance with TFRS

	Current Period ^(*)	Prior Period ^(**)
1. Total asset amount in consolidated financial statements prepared in accordance with TFRS ^(*)	1,480,841,123	966,730,951
2. Difference between total asset amount in consolidated financial statements prepared in accordance with TFRS and total asset amount in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements	15,387,231	5,912,010
3. Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements of derivative financial instruments and credit derivatives	2,692,191	10,098,239
4. Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements of investment securities or financial transaction that are commodity collateralized	13,709	17,258
5. Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements of off balance transactions	1,072,370,242	593,763,572
6. Other differences between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements	(10,859,512)	(7,511,859)
7. Total Risk Amount	2,560,444,984	1,569,010,171

^(*) Consolidated financial statements prepared in accordance with the 5th clause and 6th subclause of Communique on the Preparation of Consolidated Financial Statements.

^(**) Amounts presented above represent the arithmetic average of the last three months.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VII. Explanations on Consolidated Leverage Ratio (Continued)

c) Leverage ratio public disclosure template

The table related to leverage ratio calculated in accordance with the “Regulation on Measurement and Evaluation of Bank’s Leverage Levels” published in Official Gazette No. 28812 and dated 5 November 2013 is below:

	Book Value	
	Current Period ^(*)	Prior Period ^(*)
Assets on Balance sheet		
Assets on Balance sheet (except for derivative financial instruments and credit derivatives, including guarantees)	1,484,478,572	956,236,202
(Assets deducted from capital stock)	10,859,512	7,511,859
Total risk amount related to Assets on Balance sheet	1,473,619,060	948,724,343
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	11,749,782	16,406,759
Potential credit risk amount of derivative financial instruments and credit derivatives	2,692,191	10,098,239
Total risk amount related to derivative financial instruments and credit derivatives	14,441,973	26,504,998
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	3,189
Risk amount sourcing from transactions mediated	13,709	14,069
Total risk amount related to financial transactions having security or commodity collateral	13,709	17,258
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	1,172,417,041	768,359,678
(Adjustment amount sourcing from multiplying to credit conversion rates)	100,046,799	174,596,106
Total risk amount related to off-balance sheet transactions	1,072,370,242	593,763,572
Capital and Total Risk		
Core Capital	129,728,228	84,831,756
Amount of total risk	2,560,444,984	1,569,010,171
Financial leverage ratio		
Financial leverage ratio	5.07%	5.41%

^(*) Amounts stated in table shows the last three months' averages of the related period.

VIII. Explanations Related to Presentation of Consolidated Financial Assets and Liabilities at Their Fair Value

The estimated fair value of loans and receivables from financial leasing transactions is calculated by finding discounted cash flows using current market interest rates for fixed interest loans. The book value of variable interest loans represents their fair value.

The fair value of financial assets measured at amortized cost; market prices or, where such price cannot be determined, interest is determined on the basis of quoted market prices for other securities subject to the same qualified amortization in terms of maturity and other similar conditions.

The estimated fair value of the demand deposit represents the amount payable at the time of demand. The fair value of floating rate placements and overnight deposits represents the book value. The estimated fair value of fixed rate deposits is calculated by finding the discounted cash flows using market interest rates applied to similar loans and other liabilities.

The estimated fair value of funds from banks, other financial institutions, is determined based on discounted cash flows using the current market interest rates.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VIII. Explanations Related to Presentation of Consolidated Financial Assets and Liabilities at Their Fair Value (Continued)

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented. Book value represents the total of cost of subject asset and liabilities and accrued interest.

Current Period	Book value	Fair value
Financial Assets	1,204,613,604	1,196,379,580
Receivables from Money Market	601,134	601,107
Banks	20,683,365	20,674,401
Financial Assets Measured at Fair Value through Other Comprehensive Income	142,835,095	142,835,095
Financial Assets Measured at Amortized Cost	129,293,558	108,681,604
Credits Given	911,200,452	923,587,373
Financial Liabilities	1,377,512,539	1,382,334,466
Bank Deposits	57,570,122	57,605,139
Other Deposits	820,864,603	825,079,844
Funds from Other Financial Institutions	207,963,551	208,535,220
Payable to Money Market	149,765,326	149,765,326
Securities Issued	83,343,243	83,343,243
Other Debts	58,005,694	58,005,694

Prior Period	Book value	Fair value
Financial Assets	797,777,798	775,201,734
Receivables from Money Market	5,736,581	5,736,434
Banks	17,812,852	17,799,912
Financial Assets Measured at Fair Value through Other Comprehensive Income	69,310,430	69,310,430
Financial Assets Measured at Amortized Cost	102,171,769	93,347,981
Credits Given	602,746,166	589,006,977
Financial Liabilities	907,448,123	907,874,536
Bank Deposits	25,583,901	25,589,018
Other Deposits	605,143,635	605,674,508
Funds from Other Financial Institutions	145,862,758	145,862,758
Payable to Money Market	31,098,347	31,098,347
Securities Issued	60,988,220	60,878,643
Other Debts	38,771,262	38,771,262

In accordance with “IFRS 13, Fair Value Measurement” accounts represented at fair value in the face of financial statements are required to be leveled according to the observability of the data used for the calculation of fair value.

The classification of fair value calculation is as follows.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)

VIII. Explanations Related to Presentation of Consolidated Financial Assets and Liabilities at Their Fair Value (Continued)

In the table below, the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	153,281,386	15,064,796	531,668	168,877,850
Financial Assets at Fair Value through Profit/Loss	14,246,816	232,893	531,668	15,011,377
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI) ^(*)	139,033,659	3,801,436	-	142,835,095
Derivative Financial Assets	911	11,030,467	-	11,031,378
Financial Liabilities	36	11,333,982	-	11,334,018
Derivative Financial Liabilities	36	11,333,982	-	11,334,018

^(*) Real estates that the Bank accounts for at fair value under tangible fixed assets are classified as level 3.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	71,212,936	16,399,825	384,544	87,997,305
Financial Assets at Fair Value through Profit/Loss ^(*)	4,996,348	325,033	384,544	5,705,925
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI) ^(**)	66,215,872	3,094,558	-	69,310,430
Derivative Financial Assets	716	12,980,234	-	12,980,950
Financial Liabilities	327	4,995,402	-	4,995,729
Derivative Financial Liabilities	327	4,995,402	-	4,995,729

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance	384,544	141,649
Change in total income/loss	133,914	241,069
<i>Accounted in the statement of profit or loss and other comprehensive income</i>	133,914	241,069
<i>Accounted in other comprehensive income</i>	-	-
Purchases	13,210	1,826
Disposals	-	-
Matured Loans	-	-
Sales from Level 3	-	-
Closing Balance	531,668	384,544

IX. Information on the Services in the Name and Account of Third Parties

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to Consolidated Assets

1. a) Information on cash equivalents and the account of the CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2,960,303	10,282,554	2,150,944	9,412,639
T.R. Central Bank	139,828,034	98,982,305	56,835,380	92,810,848
Others	731,579	316,010	807,073	562,827
Total	143,519,916	109,580,869	59,793,397	102,786,314

b) Information related to the account of the CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	91,848,194	36,758,372	41,053,357	34,030,574
Restricted Demand Deposits	-	-	8,487,000	-
Restricted Time Deposits	47,979,840	62,223,933	7,295,023	58,780,274
Total	139,828,034	98,982,305	56,835,380	92,810,848

As of 31 December 2024, a provision amounting to TL 26,672 (31 December 2023 - TL 18,072) has been provided to the Central Bank account.

As of 31 December 2024, The Parent Bank maintains required reserves for its deposits and other liabilities in Turkish Lira, US Dollar, Euro, and gold.

2. Further information on financial assets at fair value through profit/loss (Net amounts are expressed)

a) Information on financial assets at fair value through profit or loss that are subject to repurchase agreements and given as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral/blocked	-	-	-	-
Subject to repurchase agreement	971	-	768	-
Total	971	-	768	-

b) Positive differences related to derivative financial assets held-for-trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	412,983	19,352	409,551	109,239
Swap Transactions	787,987	3,340,364	2,333,453	2,783,394
Futures	-	-	-	-
Options	911	503,741	716	75,573
Total	1,201,881	3,863,457	2,743,720	2,968,206



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	5,244,686	15,438,679	871,084	16,941,768
Domestic	5,244,683	399,900	871,079	815,958
Foreign	3	15,038,779	5	16,125,810
Foreign Head Offices and Branches	-	-	-	-
Total	5,244,686	15,438,679	871,084	16,941,768

Amount of TL 8,968 provision is provided for banks account as of 31 December 2024 (31 December 2023 - TL 12,939).

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(*)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	1,968,110	4,209,512	1,677,783	3,615
USA and Canada	6,407,808	7,649,932	-	-
OECD Countries ^(*)	861,997	866,040	3,431,713	3,025,514
Off-shore Banking Regions	-	-	-	-
Other	597,100	371,202	94,271	-
Total	9,835,015	13,096,686	5,203,767	3,029,129

^(*) Include OECD countries other than the EU countries, USA and Canada.

^(**) Includes the guarantees in foreign banks for the borrowings from foreign markets.

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	301,081	-
T.R. Central Bank	-	-	-	-
Banks	-	-	301,081	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Natural Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Natural Persons	-	-	-	-
Total	-	-	301,081	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

5. Information on financial assets measured at fair value through other comprehensive income

a) Information on financial assets measured at fair value through other comprehensive income subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral/Blocked	14,919,937	-	18,555,820	-
Subject to repurchase agreements	68,864,914	20,128,290	6,240	9,855,238
Total	83,784,851	20,128,290	18,562,060	9,855,238

b) Information on financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	147,798,979	71,908,976
Quoted on a stock exchange ^(*)	147,798,979	71,908,976
Unquoted on a stock exchange	-	-
Stocks	18,729	1,627
Quoted on a stock exchange	1,520	1,520
Unquoted on a stock exchange	17,209	107
Provision for Impairment (-)**	(4,982,613)	(2,600,173)
Total	142,835,095	69,310,430

^(*) The Eurobond Portfolio amounting to TL 7,357,912 (31 December 2023 - TL 6,218,276) which is accounted for as financial assets measured at fair value through other comprehensive income were hedged under fair value hedge accounting starting from 2009.

^(**) As of 31 December 2024 amount of TL 20,792 (31 December 2023 - TL 9,630) provision provided for financial assets measured at fair value through other comprehensive income account.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information related to loans

a) Information on all types of loans and advances given to shareholders and employees of the Parent Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	2,270,807	-	2,316,570
Corporate Shareholders	-	2,270,807	-	2,316,570
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees^(*)	817,098	-	629,167	-
Total	817,098	2,270,807	629,167	2,316,570

(*) Includes advances given to the bank personnel.

b) Information on first and second group loans, other receivables, restructured or rescheduled loans and other receivables

b.1) Information on standard loans, loans under close monitoring and restructured loans under close monitoring

Cash Loans	Standard Loans and Other Receivables	Loans Under Close Monitoring		
		Loans and Receivables Not Subject to Restructuring	Restructured Loans and Receivables	Refinance
			Loans and Receivables with Revised Contract Terms	
Non Specialized Loans	776,910,792	45,252,161	166,774	51,342,365
Enterprise Loans	38,655,005	59,602	-	-
Export Loans	87,762,285	1,262,169	-	-
Import Loans	-	-	-	-
Financial Sector Loans	7,601,786	562	-	-
Consumer Loans	143,573,491	11,795,550	135,957	14,447,778
Credit Cards	236,012,256	16,565,850	-	19,706,087
Other	263,305,969	15,568,428	30,817	17,188,500
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	776,910,792	45,252,161	166,774	51,342,365



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information related to loans (Continued)

	Standard Loans	Loans Under Close Monitoring
Current Period		
12 Month Expected Credit Losses	8,628,009	-
Significant Increase in Credit Risk	-	13,286,839
Prior Period		
12 Month Expected Credit Losses	7,885,008	-
Significant Increase in Credit Risk	-	11,077,249

c) Loans with amortized cost and other receivables according to their maturity structure

Cash Loans	Standard Loans	Loans Under Close Monitoring	
		Loans Not Subject to Restructuring	Restructured Loans
Short-term Loans	531,804,853	16,565,850	19,706,087
Medium and Long-term Loans	245,105,939	28,686,311	31,803,052
Total	776,910,792	45,252,161	51,509,139

d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Short Term	Medium and Long Term	Total
Consumer Loans - TL	55,287,461	77,830,109	133,117,570
Housing Loans	7,840	4,285,018	4,292,858
Automobile Loans	-	10,188	10,188
Personal Need Loans	55,279,621	73,534,903	128,814,524
Other	-	-	-
Consumer Loans - FC Indexed	-	131	131
Housing Loans	-	131	131
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Individual Credit Cards - TL	220,824,314	13,019,635	233,843,949
Installment	64,330,958	9,631,200	73,962,158
Non-Installment	156,493,356	3,388,435	159,881,791
Individual Credit Cards - FC	509,214	1,348	510,562
Installment	-	-	-
Non-Installment	509,214	1,348	510,562
Personnel Loans - TL	168,878	189,857	358,735
Housing Loans	-	23	23
Automobile Loans	-	-	-
Personal Need Loans	168,878	189,834	358,712
Other	-	-	-
Personnel Loans - FC Indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TL	441,343	9,530	450,873
Installment	122,596	2,647	125,243
Non-Installment	318,747	6,883	325,630
Personnel Credit Cards - FC	2,320	6	2,326
Installment	-	-	-
Non-Installment	2,320	6	2,326
Overdraft Accounts - TL (Natural Persons)	34,713,435	1,762,905	36,476,340
Overdraft Accounts - FC (Natural Persons)	-	-	-
Total	311,946,965	92,813,521	404,760,486



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information related to loans (Continued)

e) Information on commercial installment loans and corporate credit cards

	Short Term	Medium and Long Term	Total
Commercial Loans with Installment Facility - TL	7,347,193	61,497,936	68,845,129
Real Estate Loans	47,525	950,579	998,104
Automobile Loans	168,200	1,963,282	2,131,482
Personal Need Loans	7,131,468	58,584,075	65,715,543
Other	-	-	-
Commercial Loans with Installment Facility - FC Indexed	-	102,650	102,650
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	102,650	102,650
Other	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Corporate Credit Cards - TL	36,639,874	812,877	37,452,751
Installment	5,601,700	151,805	5,753,505
Non-Installment	31,038,174	661,072	31,699,246
Corporate Credit Cards - FC	23,669	63	23,732
Installment	-	-	-
Non-Installment	23,669	63	23,732
Overdraft Accounts - TL (Legal Entities)	3,280,083	23,596	3,303,679
Overdraft Accounts - FC (Legal Entities)	-	-	-
Total	47,290,819	62,437,122	109,727,941

f) Allocation of loans by customers^(*)

	Current Period	Prior Period
Public	5,962,816	4,463,025
Private	867,709,276	578,182,185
Total	873,672,092	582,645,210

^(*) It does not include the non-performing loan amount.

g) Allocation of domestic and foreign loans^(*)

	Current Period	Prior Period
Public	869,812,933	580,290,500
Private	3,859,159	2,354,710
Total	873,672,092	582,645,210

^(*) It does not include the non-performing loan amount.

h) Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	12,702,629	4,948,468
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	12,702,629	4,948,468



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information related to loans (Continued)

i) Specific provisions for loans (Third Stage)

	Current Period	Prior Period
Provisions		
Loans and Receivables with Limited Collectability	4,613,648	1,772,070
Loans and Receivables with Doubtful Collectability	6,877,585	990,325
Uncollectible Loans and Receivables	8,183,549	6,117,889
Total	19,674,782	8,880,284

j) Non-performing loans (NPLs) (Net)

j.1) Non-performing loans restructured or rescheduled and other receivables

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Period			
Gross Amounts Before the Provisions	-	21,727	200,582
Restructured Loans	-	21,727	200,582
Prior Period			
Gross Amounts Before the Provisions	148	3,532	336,984
Restructured Loans	148	3,532	336,984

j.2) Movement of non-performing loans^(*)

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Prior Period End Balance	2,428,307	1,363,907	7,196,127
Additions (+)	20,900,287	636,848	1,542,482
Transfers from Other Categories of Non-Performing Loans (+)	-	13,609,703	5,090,999
Transfers to Other Categories of Non-Performing Loans (-)	13,609,703	5,090,999	-
Collections (-)	3,344,436	1,702,875	1,737,529
Non-registered(-)	-	-	86,331
Write-offs (-)**	-	-	1,836,315
Corporate and Commercial Loans	-	-	92,742
Consumer Loans	-	-	889,638
Credit Cards	-	-	651,131
Others	-	-	202,804
Current Period End Balance	6,374,455	8,816,584	10,169,433
Specific Provision (-)	4,613,648	6,877,585	8,183,549
Prior Period End Balance	1,760,807	1,938,999	1,985,884

^(*) Includes non-performing loans related to leasing transactions and factoring receivables.

^(**) The bank sold a portion of its non-performing loan portfolio amounting to TL 1,743,573 to asset management companies for a consideration of TL 632,000. Additionally, QNB Finansal Kiralama A.Ş. sold a portion of its receivables from leasing transactions, amounting to TL 92,742 to an asset management company for a consideration of TL 21,570.

j.3) Information on non-performing loans granted as foreign currency loans

None (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information related to loans (Continued)

j.4) Breakdown of non-performing loans according to their gross and net values

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Period (Net)	1,760,807	1,938,999	1,985,884
Loans to Natural Persons and Legal Entities (Gross)	6,374,455	8,816,584	9,480,615
Provision (-)	4,613,648	6,877,585	7,494,731
Loans to Natural Persons and Legal Entities (Net)	1,760,807	1,938,999	1,985,884
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	688,818
Provision (-)	-	-	688,818
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	656,237	373,582	1,078,238
Loans to Natural Persons and Legal Entities (Gross)	2,428,307	1,363,907	6,919,193
Provision (-)	1,772,070	990,325	5,840,955
Loans to Natural Persons and Legal Entities (Net)	656,237	373,582	1,078,238
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	276,934
Provision (-)	-	-	276,934
Other Loans and Receivables (Net)	-	-	-

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Year (Net)			
Interest accruals and valuation differences	987,259	1,386,080	1,435,165
Provision Amount (-)	360,996	542,588	823,027
Prior Period (Net)			
Interest Accruals and Rediscounts and Valuation Differences	180,107	122,271	1,168,019
Provision Amount (-)	85,694	64,388	800,916

k) Explanation on liquidation policy for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The Parent Bank prefers to liquidate the risk through negotiations with the debtors as well as The Parent Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations regarding the write-off policy

The Parent Bank's general policy regarding the write-off of NPLs is explained in the section three under the footnote VIII.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	22,947,170	4,171,131	14,641,315	854,031
Medium and Long Term	-	-	-	-
Total	22,947,170	4,171,131	14,641,315	854,031

Changes in provision for non-performing factoring receivables are as follows

	Current Period	Prior Period
Prior Period End Balance	160,573	81,651
Provided Provision/(reversal), Net	348,630	136,461
Collections	(239,774)	(57,539)
Write-offs	-	-
Provision at the End of Period	269,429	160,573

8. Information on financial assets measured at amortized cost

a) Information on financial assets measured at amortized cost which are subject to repurchase agreements and given as Collateral/Blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral/Blocked	26,984,053	1,198,217	19,956,890	149,001
Subject to repurchase agreements	56,020,248	33,920,075	4,753,009	25,309,928
Total	83,004,301	35,118,292	24,709,899	25,458,929



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

8. Information on financial assets measured at amortized cost

b) Information on government debt securities measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	92,822,031	36,326,963	72,383,513	29,088,903
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	580,406
Total	92,822,031	36,326,963	72,383,513	29,669,309

c) Information on investments securities measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	92,822,031	36,471,527	72,383,513	29,788,256
Publicly-traded	92,822,031	36,471,527	72,383,513	29,788,256
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	92,822,031	36,471,527	72,383,513	29,788,256

d) Movement of investment measured at amortized cost within the period

	Current Period	Prior Period
Balance at the beginning of the period	102,171,769	61,963,305
Exchange differences on monetary assets	5,602,433	11,129,111
Acquisitions during the year	19,551,082	33,460,484
Disposals through sales and redemptions	(21,505,687)	(23,033,396)
Impairment provision (-)	-	-
Valuation Effect	23,473,961	18,652,265
Total	129,293,558	102,171,769

As of 31 December 2024, a provision amounting to TL 17,722 (31 December 2023 - TL 26,015) is provided for the financial assets measured at amortized cost.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

9. Information on investments in associates (Net)

9.1. Information on unconsolidated associates

Title	Address (City/ Country)	Bank's Share-If Different, Voting Rights(%)	Bank's Risk Group Share(%)
1. Bankalararası Kart Merkezi (BKM) ^(*) ^(***)	Istanbul/Türkiye	4.52	4.52
2. JCR Avrasya Derecelendirme A.Ş. ^(**)	Istanbul/Türkiye	2.86	2.86
3. İhracatı Geliştirme A.Ş. (İGE) ^(**) ^(***)	Istanbul/Türkiye	0.36	0.36
4. Kredi Garanti Fonu A.Ş. (KGF) ^(**) ^(***)	Istanbul/Türkiye	1.49	1.49
5. Emeklilik Gözetim Merkezi (EGM) ^(*)	Istanbul/Türkiye	4.52	4.52

	Total Assets	Shareholder's Equity	Total Fixed Assets ^(****)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	5,664,287	5,036,126	1,180,498	1,069,288	-	1,409,366	3,530,565	-
2.	374,362	285,061	28,392	81,644	-	48,014	100,751	-
3.	7,805,521	7,020,592	796,503	2,550,139	-	(530,590)	1,154,146	-
4.	4,453,051	1,780,091	97,487	761,726	-	(50,233)	(262,350)	-
5.	218,719	145,289	43,701	13,465	96	49,808	21,865	-

^(*) Current period information is based on 30 September 2024 financials. Prior period profit and loss amounts are based on 30 September 2023 financials.

^(**) Current period information is based on 31 December 2023 financials. Prior period profit and loss amounts are based on 31 December 2022 financials.

^(***) Information for the current and prior periods are based on inflation adjusted financial statements.

^(****) Total fixed assets consist of tangible and intangible fixed assets.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

9. Information on investments in associates (Net) (Continued)

9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	57,084	45,477
Movements During the Period	557	11,607
Purchases	542	2,858
Impact of business combinations	-	504
Bonus Shares Received ^(*)	15	571
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	7,674
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	57,641	57,084
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

^(*) Bonus shares received includes the capital contribution amounts from Borsa İstanbul A.Ş. in current period and from JCR Avrasya Derecelendirme A.Ş. in prior period.

9.3. Sectoral information on investment and associates, and the related carrying amounts

	Current Period	Prior Period
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	57,641	57,084
Total	57,641	57,084

9.4. Quoted Associates

None (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

9. Information on investments in associates (Net) (Continued)

9.5. Investments in associates sold during the current period

None (31 December 2023 - None).

9.6. Information on subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

Subsidiaries below have not been consolidated since they are Non-financial investments, they are instead valued by cost method.

Title	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Türkiye	99.91	99.99
2. EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/Türkiye	100.00	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	591,888	11,824	160,053	-	-	15,291	11,362	-
2.	1,174,664	661,217	56,528	168,757	-	82,005	63,360	-

b) Information on the Parent Bank's consolidated subsidiaries

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. QNB Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	99.80	100.00
2. QNB Finansal Kiralama A.Ş.	Istanbul/Türkiye	99.40	99.40
3. QNB Portföy Yönetimi A.Ş.	Istanbul/Türkiye	88.89	100.00
4. QNB Faktoring A.Ş.	Istanbul/Türkiye	99.99	100.00
5. QNB Varlık Kiralama Şirketi A.Ş.	Istanbul/Türkiye	-	100.00
6. QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş.	Istanbul/Türkiye	100.00	100.00

Information on subsidiaries in the order as presented in the table above

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	7,172,115	4,012,612	118,476	2,404,299	90,337	1,724,786	933,347	-
2.	31,209,186	4,650,724	52,999	5,436,602	13,520	1,205,185	824,381	4,622,820
3.	1,659,496	1,363,623	4,858	14,607	-	776,336	250,241	-
4.	27,505,296	3,831,878	37,899	7,942,481	-	1,350,820	926,785	-
5.	1,559,157	2,352	-	-	-	829	742	-
6.	10,883,959	3,572,818	157,962	1,444,851	227,309	1,996,294	966,314	-



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

9. Information on investments in associates (Net) (Continued)

b.2) Movement schedule for consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	9,789,830	3,490,203
Movements during the Period	9,235,129	6,299,627
Purchases ^(*)	1,993,986	981,000
Bonus Shares Received	-	885,002
Dividends from Current Year Profit	-	-
Disposals	-	-
Revaluation Difference ^(**)	7,241,143	4,433,625
Provisions for Impairment	-	-
Balance at the End of the Period	19,024,959	9,789,830
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

^(*) With the Extraordinary General Assembly Decision of QNB Finansal Kiralama A.Ş. dated 21 November 2024, the company capital of TL 1,000,000 was increased to TL 2,000,000 through a capital increase through rights issue.

With the decision of the Board of Directors of QNB Faktoring A.Ş. dated 12 February 2024, the company capital of TL 65,000 was increased to TL 1,065,000 through a rights issue. Regarding the partnership share in QNB Sağlık Hayat ve Emeklilik A.Ş., whose 49% capital is owned by the Parent Bank, with the decision of the Parent Bank's Board of Directors, 51% shares with a total nominal value of TL 22,950,000, which is owned by Cigna Nederland Gamma BV and corresponds to 51% of the capital of QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş., was decided to be purchased with a price of TL 981,000,000 (in full TL). In this context, a Share Purchase Agreement was signed with Cigna Nederland Gamma BV on 21 October 2022. The Parent Bank's shareholding in QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. has increased to 100% following the completion of the said share transfer transactions, obtaining the necessary permits, and the registration of the General Assembly regarding the share transfer on 13 January 2023.

^(**) Includes equity method accounting differences.

b.3) Sectoral information on consolidated financial subsidiaries and the related carrying amounts

	Current Period	Prior Period
Factoring Companies	3,831,879	1,477,891
Leasing Companies	4,622,820	2,435,631
Finance Companies	5,504,259	3,310,198
Other Subsidiaries	5,066,001	2,566,110
Total	19,024,959	9,789,830

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

b.4) Subsidiaries quoted to a stock exchange

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	4,622,820	2,435,631
Quoted on International Stock Exchanges	-	-
Total	4,622,820	2,435,631

b.5) Information on shareholders' equity of the significant subsidiaries

The Parent Bank does not have any significant sized subsidiaries.

10. Information on joint ventures

Name	Bank's Share (%)	Bank's Shareholding Percentage in the Risk Group (%)	Current Asset	Non-Current Asset	Long-Term Debt	Income	Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33	33.33	401,576	241,478	143,308	1,616,588	1,485,985

^(*) Current period information is stated as of 30 November 2024.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

11. Information on lease receivables (Net)

11.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	16,884,161	13,005,028	12,486,755	9,504,950
Between 1-4 years	16,401,018	13,519,506	14,270,628	11,814,803
Over 4 years	921,130	851,183	728,444	673,924
Total	34,206,309	27,375,717	27,485,827	21,993,677

Finance lease receivables include non-performing finance lease receivables amounting to TL 467,072 (31 December 2023 - TL 373,295) and expected credit loss amounting to TL 351,724 (31 December 2023 - TL 297,641).

Changes in non-performing finance lease receivables provisions are as follows

	Current Period	Prior Period
End of the prior period	297,641	318,272
Provided provision/(reversal), Net	177,260	(4,776)
Collections	(30,435)	(15,855)
Written-off	(92,742)	-
Provision at the end of the period	351,724	297,641

11.2. Information on net investments in finance leases

	Current Period	Prior Period
Gross Finance Lease Investments	34,206,309	27,482,467
Unearned Finance Income (-)	6,830,592	5,488,790
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	27,375,717	21,993,677

11.3. Information of finance lease contracts of the Parent Bank

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

12. Information on the hedging derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	2,082,932	509,242	2,891,841	284,437
Cash Flow Hedge ^(**)	912,432	2,461,434	1,126,544	2,966,202
Net Investment Hedge	-	-	-	-
Total	2,995,364	2,970,676	4,018,385	3,250,639

^(*) The derivative financial instruments used for hedging the fair value risk consist of swaps. As of 31 December 2024, the fair value of these instruments is 2,082,932 TL (31 December 2023 - TL 2,891,841) for loans, TL 470,559 for securities (31 December 2023 - TL 284,437), and TL 38,683 for securities issued (31 December 2023 - None), representing the fair value of the derivative financial instruments used in hedging the fair value risk.

^(**) Represents the fair value of derivative financial instruments for cash flow hedge of deposits and floating interest borrowings.

13. Explanations on investment properties

None (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

14. Explanations on tangible assets

	Land and Buildings	Fixed Assets from Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	12,505,445	267,165	496,028	5,002,966	18,271,604
Accumulated Depreciation(-)	1,071,507	248,897	142,275	2,198,324	3,661,003
Net Book Value	11,433,938	18,268	353,753	2,804,642	14,610,601
Current Period End					
Cost at the Beginning of the Period	12,505,445	267,165	496,028	5,002,966	18,271,604
Costs regarding Subsidiaries					-
Additions ^(*)	2,245,081	-	222,777	3,015,460	5,483,318
Disposals (-)	296,968	2,149	46,861	31,668	377,646
Impairment (-)/(increase)	-	-	-	-	-
Revaluation Cost	3,385,589	-	-	-	3,385,589
Current Period Cost	17,839,147	265,016	671,944	7,986,758	26,762,865
Accumulated Depreciation at the Beginning of the Period	1,071,507	248,897	142,275	2,198,324	3,661,003
Accumulated Depreciation regarding Subsidiaries					-
Disposals (-)	76,548	990	19,726	44,885	142,149
Transfer (-)	-	-	-	2,591	2,591
Depreciation amount	772,807	8,516	97,569	873,736	1,752,628
Accumulated Depreciation at the End of the Period (-)	1,767,766	256,423	220,118	3,029,766	5,274,073
Net Book Value at the End of the Period	16,071,381	8,593	451,826	4,956,992	21,488,792

^(*) Includes asset usage rights of real estate leased under “IFRS 16 Leases”. As of 31 December 2024, the asset usage rights amount to TL 2,180,093 and the related accumulated depreciation amount is TL 1,448,891.

^(**) As mentioned in Section 3 footnote IV, the fair value currency difference income amounting to TL 27,761 (the amortized) that belongs to the real estate, which is subjected to fair value hedge accounting by the Parent Bank, is shown in the “Additions” line of the Financial Fixed Assets movement table.

a) If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements

Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements

There is no provision for impairment in the current period as a result of the changes in the fair values of the real estates determined by the licensed real estate valuation companies. (31 December 2023 - None).

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this

None (31 December 2023 - None).

c) Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets

None (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

15. Explanations on Intangible Assets

	Rights	Goodwill	Total
Prior Period End			
Cost	6,394,732	-	6,394,732
Accumulated Amortization (-)	2,370,883	-	2,370,883
Net Book Value	4,023,849	-	4,023,849
Current Period End			
Cost at the Beginning of the Period	6,394,732	-	6,394,732
Costs related to acquisition of subsidiary			
Additions	3,772,443	-	3,772,443
Disposals (-)	38,772	-	38,772
Value Decrease (-)/(increase)	-	-	-
Current Period Cost	10,128,403	-	10,128,403
Acc, Amort, At the Beginning of the Period	2,370,883	-	2,370,883
Accrued amortization related to acquisition of subsidiary			
Disposals(-)	254	-	254
Amortization charge	1,267,996	-	1,267,996
Current Period Accumulated Amortization (-)	3,638,625	-	3,638,625
Net Book Value-End of the Period	6,489,778	-	6,489,778

a) Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements

None (31 December 2023 - None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition

None (31 December 2023 - None).

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition

None (31 December 2023 - None).

d) The book value of intangible fixed assets that are pledged or restricted for use

None (31 December 2023 - None).

e) Amount of purchase commitments for intangible fixed assets

None (31 December 2023 - None).

f) Information on revalued intangible assets according to their types

None (31 December 2023 - None).

g) Amount of total research and development expenses recorded within the period if any

Amount of total research expenses recorded in the statement of profit or loss and other comprehensive income within the period is TL 71,883 (31 December 2023 - TL 38,717).

h) Positive or negative consolidation goodwill on entity basis

None (31 December 2023 - None).

i) Goodwill's book value at beginning, during and end of period

Explanation about balance sheet's debit accounts and footnotes section specified in number 15 footnote.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

16. Information on tax asset.

As of 31 December 2024, the Group has deferred tax assets amounting to TL 5,492,011 and deferred tax liabilities amounting to TL 38,236 calculated in accordance with the related regulations.

According to TAS 12, deferred tax assets and liabilities are netted off in the financial statements. As of 31 December 2024, the Group determined the carrying amount of the assets and liabilities in the balance sheet and the tax basis in accordance with the tax legislation and deferred tax asset amounting to TL 14,837,417 calculated over the amounts to be taken into consideration in the calculation of financial profit/loss in the following periods and deferred tax liability amounting to TL 9,383,642 which are calculated over the amounts to be taken into consideration in the calculation of financial profit/loss in the following periods.

In cases whereby deferred tax differences arising from the differences between the carrying amounts and the taxable amounts of the assets subjected to deferred tax that are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 891,290 is netted under equity. (31 December 2023 - TL 1,375,690 deferred tax liabilities).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Provision for Employee Rights	4,253,548	3,112,251	1,276,065	933,675
Difference Between the Book Value of Financial Assets and Tax Base	2,464,013	643,326	739,204	192,998
Other ^(*)	42,740,493	33,631,434	12,822,148	10,089,430
Deferred Tax Assets			14,837,417	11,216,103
Differences Between Carrying Value and Tax Value of Tangible Fixed Assets	(12,440)	(7,521)	(3,732)	(2,256)
Differences Between Carrying Value and Tax Basis of Financial Assets	(20,467,286)	(12,202,190)	(6,140,186)	(3,660,657)
Other	(10,799,079)	(2,544,318)	(3,239,724)	(763,295)
Deferred Tax Liabilities			(9,383,642)	(4,426,208)
Deferred Tax Asset/(Debt), Net			5,453,775	6,789,895

(*) TL 23,524,268 includes accumulated temporary differences related to expected loss provisions. (31 December 2023 - TL 19,994,017)

	Current Period 01.01-31.12.2024	Prior Period 01.01-31.12.2023
Deferred Tax as of 1 January Asset/(Liability) - Net	6,789,895	563,762
Impact of business combinations	-	21,161
Deferred Tax (Loss)/Income - Net	(2,227,411)	4,829,282
Deferred Tax that is Realized Under Shareholder's Equity	891,291	1,375,690
Deferred Tax Asset/(Liability) - Net	5,453,775	6,789,895

17. Information on assets held for sale and discontinued operations

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	-	-
Acquired	-	-
Impairment (-)	-	-
Net Book Value at the End of the Period	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

18. Information on other assets

Other assets of the balance sheet do not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

As of 31 December 2024, provisions for other assets amount to TL 25,485 (31 December 2023 - TL 22,755).

19. Information on accrued interest and income

The details of interest and income accruals and discounts distributed on the related accounts and the details of the unrealized fair value increases (decreases) are presented in the table below.

	Prior Period			
	TL	FC	TL	FC
Derivative Financial Assets	4,197,245	6,834,133	6,762,105	6,218,845
Loans	23,395,852	6,707,878	12,292,347	5,197,443
Securities Measured at Amortized Cost	11,880,901	633,749	11,085,004	497,745
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,844,757	(730,447)	2,596,666	(853,858)
T.R Central Bank	10,405,882	-	81,415	-
Receivables from Leasing Transactions	-	-	-	-
Banks	145,599	108	47,551	215
Financial Assets Measured at Fair Value through Profit/Loss	423,729	3,355	83,191	19,156
Other Accruals	187,363	30,680	47,112	41,261
Total	53,481,328	13,479,456	32,995,391	11,120,807

II. Explanations and Disclosures Related to Consolidated Liabilities

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits⁽¹⁾	43,367,324	-	82,819,969	217,278,958	52,614,650	15,073,418	7,592,916	1,756	418,748,991
Foreign Currency Deposits	146,981,534	-	11,375,802	9,626,299	1,069,969	453,929	454,227	6,167	169,967,927
Residents in Türkiye	135,616,270	-	11,101,494	9,167,099	1,034,138	432,021	362,360	6,167	157,719,549
Residents Abroad	11,365,264	-	274,308	459,200	35,831	21,908	91,867	-	12,248,378
Public Sector Deposits	4,358,564	-	143,516	120,672	-	-	-	-	4,622,752
Commercial Deposits	23,502,964	-	66,493,148	51,178,204	12,167,184	3,386,346	3,053,005	-	159,780,851
Other Ins. Deposits	430,850	-	745,598	5,569,952	562,865	628,482	131	-	7,937,878
Precious Metal Deposits	58,742,944	-	88,916	14,562	-	-	959,782	-	59,806,204
Bank Deposits	297,324	-	36,024,018	19,237,335	995,410	1,016,035	-	-	57,570,122
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	8,774	-	9,326,637	-	-	-	-	-	9,335,411
Foreign Banks	288,550	-	26,697,381	19,237,335	995,410	1,016,035	-	-	48,234,711
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	277,681,504	-	197,690,967	303,025,982	67,410,078	20,558,210	12,060,061	7,923	878,434,725

⁽¹⁾ As of 31 December 2024, the balance of saving deposits includes TL 49,709,368 “CBRT Currency Protected Deposits”.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits^(*)	27,893,499	-	49,344,669	49,231,023	99,526,973	40,555,786	9,060,383	1,347	275,613,680
Foreign Currency Deposits	129,146,861	-	16,391,444	33,318,758	3,728,411	782,658	1,144,870	6,581	184,519,583
Residents in Türkiye	120,360,639	-	15,536,550	32,277,959	3,539,093	699,345	649,763	6,581	173,069,930
Residents Abroad	8,786,222	-	854,894	1,040,799	189,318	83,313	495,107	-	11,449,653
Public Sector Deposits	1,154,446	-	2,516	88,335	-	-	-	-	1,245,297
Commercial Deposits	19,351,014	-	31,109,156	12,920,808	19,922,891	13,940,276	9,771,674	-	107,015,819
Other Ins. Deposits	302,301	-	233,749	765,619	823,513	115,000	9,517	-	2,249,699
Precious Metal Deposits	33,732,699	-	117,147	58,862	148,831	-	442,018	-	34,499,557
Bank Deposits	1,126,701	-	9,101,219	12,450,245	1,467,378	1,438,358	-	-	25,583,901
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	48,433	-	923,841	-	-	-	-	-	972,274
Foreign Banks	1,078,268	-	8,177,378	12,450,245	1,467,378	1,438,358	-	-	24,611,627
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	212,707,521	-	106,299,900	108,833,650	125,617,997	56,832,078	20,428,462	7,928	630,727,536

^(*) As of 31 December 2023, the balance of savings deposits includes the amount of TL 5,280,517 “Treasury Currency Protected Deposits” and TL 134,917,500 “CBRT Currency Protected Deposits”.

1.1. Information on savings deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund^(*)

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	170,872,167	106,246,382	420,218,305	279,878,113
Foreign Currency Savings Deposits	66,541,667	54,536,106	163,232,464	164,483,034
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	237,413,834	160,782,488	583,450,769	444,361,147

^(*) With the amendment of the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums Collected by The Savings Deposit Insurance Fund published in the Official Gazette dated 27 August 2022 and No. 31936, all deposits and participation funds in credit institutions, other than those belonging to official institutions, credit institutions and financial institutions, started to be insured. In this context, commercial deposits covered by insurance amount to TL 23,889,137 (31 December 2023 - TL 17,545,869) is included in the footnote.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

1.2. Savings deposits in Türkiye are not covered under insurance in another country since headquarter of the Group is not located abroad.

1.3. Savings deposits which are not under the guarantee of saving deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	10,747	14,370
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	1,456,117	924,939
Deposits obtained through illegal acts defined in the 282 nd Article of the Turkish Criminal Code No. 5237 dated 26 September 2004.	-	-
Saving deposits in banks established in Türkiye exclusively for off-shore banking activities	-	-
Total	1,466,864	939,309

2. Information on trading derivative financial liabilities

a) Negative differences table for derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	2,647,549	31,088	286,280	130,686
Swaps	882,852	2,574,194	1,044,552	2,413,005
Futures	-	-	-	-
Options	36	1,062,782	327	290,250
Other	-	-	-	-
Total	3,530,437	3,668,064	1,331,159	2,833,941

⁽¹⁾ Current period derivative financial liabilities for trading purposes are shown in line 7.1 Derivative Financial Liabilities in the financial statement.

3. Information on borrowings

a) Negative differences table for derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	8,732,005	4,711,048	8,164,974	3,737,246
Foreign Banks, Institutions and Funds	4,759,057	168,192,589	1,248,703	114,714,240
Total	13,491,062	172,903,637	9,413,677	118,451,486

b) Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	12,513,504	50,156,703	8,872,328	25,330,406
Medium and Long-Term	977,558	122,746,934	541,349	93,121,080
Total	13,491,062	172,903,637	9,413,677	118,451,486

The Parent Bank's fund sources include deposits, funds borrowed, securities issued and money market borrowings. Deposit is the most significant fund source of the Parent Bank and does not present any risk concentration with its consistent structure extended to a wide base. Funds borrowed mainly consist of funds provided by foreign financial institutions which have different characteristics and maturity-interest structure such as syndication, securitization, and post-financing. There isn't risk concentration on the fund sources of the Parent Bank.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

3. Information on borrowings (Continued)

c) Additional information on concentrations of the Group's liabilities

As of 31 December 2023, the Group's liabilities comprise; 56% deposits (31 December 2023 - 62%), 12% funds borrowed (31 December 2023 - 12%), 5% issued bonds (31 December 2023 - 5%) and 10% money market debts (31 December 2023 - 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	94,580,476	-	2,374,701	-
Financial institutions and organizations	94,551,112	-	2,362,077	-
Other institutions and organizations	19,195	-	6,243	-
Natural persons	10,169	-	6,381	-
From foreign transactions	2,412,256	48,467,653	189,980	27,736,364
Financial institutions and organizations	2,373,293	48,467,653	183,633	27,736,364
Other institutions and organizations	38,963	-	5,446	-
Natural persons	-	-	901	-
Total	96,992,732	48,467,653	2,564,681	27,736,364

5. Information on marketable securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	6,459,663	18,425,962	9,045,755	13,001,776
Asset backed securities	1,707,817	-	856,881	-
Bills	-	46,019,814	-	29,132,547
Total	8,167,480	64,445,776	9,902,636	42,134,323

The Parent Bank has USD 4 Billion bond issuance program (Global Medium Term Note Program) and USD 1 Billion green and/or sustainable debt instrument issuance limit.

6. Information on the subaccounts of other liabilities account that exceeds 20% of the individual other liabilities account exceeding 10% of the total liabilities excluding the off-balance sheet items

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items.

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flows of the Group are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Explanations on financial lease liabilities

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts (Continued)

7.2. Explanations on operational leasing transactions liabilities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	119,662	73,101	85,318	49,229
Between 1-4 years	2,200,907	1,663,461	1,368,518	1,123,935
More than 4 years	55	24	164	107
Total	2,320,624	1,736,586	1,454,000	1,173,271

7.3. Explanations and notes on financial lease:

The Parent bank makes operating lease agreements for some branches and ATM machines. The lease agreements are amortized during the lease period by measuring the lease obligation based on the present value of the lease payments (lease obligation) that has not been paid at that time (the lease obligation) as well as the relevant usage right as of the same date. Lease payments are discounted using this rate if the implicit interest rate in the lease can be easily determined. If the tenant cannot easily determine this rate, he uses the alternative borrowing interest rate. The tenant separately records the interest expense on the rental obligation and the depreciation expense of the right to use asset.

7.4. Information on “Sale-and-lease back” agreements

The Parent Bank does non sale-and-lease back transactions in the current period (31 December 2023 - None).

8. Information on the hedging derivative financial liabilities

	Current Period ^(*)		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	1,081,111	3,451	-	342,081
Cash Flow Hedge ^(**)	1,992,982	1,057,973	105,202	383,346
Net Investment Hedge	-	-	-	-
Total	3,074,093	1,061,424	105,202	725,427

^(*) Derivative financial instruments for fair value hedges consist of swaps. As of 31 December 2024, TL 3,451 (31 December 2023 - TL 154,155) and TL 1,081,111 (31 December 2023 - None) represents the fair value of derivative financial instruments used for fair value hedges of marketable securities and loans, respectively. In the current period, there is no fair value of derivative financial instruments used in fair value hedges of securities issued (31 December 2023 - TL 147,019).

^(**) It represents the fair value of derivative financial instruments for cash flow hedging of deposits and floating rate borrowings.

^(***) Derivative financial liabilities for Fair Value Hedge are shown in line 7.1. in the financial statements, and derivative financial liabilities for Cash Flow Hedges are shown in line 7.2 of financial statements.

9. Information on provisions

9.1. Information on provision related with foreign currency difference of foreign indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans	-	-

9.2. Specific provisions for non-cash loans that are not indemnified and converted into cash or expected loss provisions for non-cash loans

	Current Period	Prior Period
Stage I	1,448,063	1,859,894
Stage II	135,192	50,405
Stage III	41,301	27,904
Total	1,624,556	1,938,203



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

LANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

9. Information on provisions (Continued)

9.3. Information on reserve for employee rights

The Group has calculated the provision for employee benefits using the actuarial valuation method specified in TAS 19 and reflected in the consolidated financial statements. In this context, a discount rate of 4.0% (31 December 2023 - 4.0%) has been applied in the calculation of the total loan compensation liability.

As of 31 December 2024, the Group presented the provision for severance pay of TL 1,263,401 (31 December 2023 - TL 983,622) under the “Reserves for Employee Benefits” item in its financial statements.

As of 31 December 2024, the Group has shown a total vacation liability of TL 436,127 (31 December 2023 - TL 234,460) under the “Reserves for Employee Benefits” in its financial statements.

As of 31 December 2024, TL 2,554,020 (31 December 2023 - TL 1,894,169) provision for salaries, bonuses and premiums to be paid to the personnel has been presented under the “Reserves for Employee Benefits” in its financial statements.

9.3.1. Movement of employee termination benefits

	Current Period 01.01-31.12.2024	Prior Period 01.01-31.12.2023
As of 1 January	956,967	1,200,277
Impact of business combinations	26,655	30,276
Service Cost	139,244	130,147
Interest Cost	209,049	115,977
Cutting payments and benefits	139,906	19,401
Actuarial difference	167,606	(57,545)
Paid during the period	(376,026)	(454,911)
Total	1,263,401	983,622

9.4. Information on insurance technical provisions

As of 31 December 2024, the Group has reflected the insurance technical provision amounting to TL 5,889,857 (31 December 2023 - 3,092,695) in its consolidated financial statements.

9.5. Information on other provisions

Except for those mentioned in note 9.2 above, there is a provision for lawsuits against the Group and tax lawsuits in the amount of TL 602,817 (31 December 2023 - TL 407,539) in other provisions. The Parent Bank has benefited from the relevant articles of the Law No. 7326 regarding various ongoing tax lawsuits.

The consolidated financial statements prepared as of 31 December 2024, include a free provision amounting of TL 4,700,000 (31 December 2023 - TL 6,800,000) which provided in prior year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Information on the part of the free provision that has been reversed in the current period is stated in Section 5, Note IV.6.

10. Explanations on tax liabilities

10.1 Information on current tax liability

10.1.1 Information on tax provision

The Group has reflected the current tax liability and prepaid tax amounts to the consolidated financial statements by offsetting the balances in the financial statements of the consolidated subsidiaries separately. As a result of offsetting, there is a tax liability of TL 3,915,992 (31 December 2023 - TL 2,493,475) in the accompanying consolidated financial statements and as of 31 December 2024, there is prepaid tax amounting to TL 1,557,605 (31 December 2023 - TL 1,215,902).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

10. Explanations on tax liabilities (Continued)

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	3,915,992	2,493,475
Banking and Insurance Transaction Tax (BITT)	2,974,761	1,373,920
Taxation on Securities Income	2,156,068	288,391
Taxation on Real Estates Income	38,747	20,308
VAT Payable	3,312	3,980
Other	476,083	238,345
Total	9,564,963	4,418,419

The Group presents The “Corporate Taxes Payable” balance in the “Current Tax Liability” account and other taxes are presented in the “Other Liabilities” account in the accompanying consolidated financial statements.

10.1.3. Information on premium payables

	Current Period	Prior Period
Social Security Premiums - Employee Share	131,645	118,357
Social Security Premiums - Employer Share	179,592	145,118
Pension Fund Fee and Provisions - Employee Share	327	214
Pension Fund Fee and Provisions - Employer Share	1,079	700
Unemployment Insurance - Employee Share	8,579	7,754
Unemployment Insurance - Employer Share	17,161	15,512
Other	1,190	500
Total	339,573	288,155

11. Information on payables related to assets held for sale

None (31 December 2023 - None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments subject to common equity	-	18,533,717	-	15,468,985
Subordinated Loans	-	18,533,717	-	15,468,985
Subordinated Debt Instruments	-	-	-	-
Debt Instruments subject to tier 2 common equity	-	13,765,122	-	11,479,871
Subordinated Loans	-	3,035,135	-	2,528,610
Subordinated Debt Instruments	-	10,729,987	-	8,951,261
Total	-	32,298,839	-	26,948,856



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

13. Information on shareholder’s equity

13.1. Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	3,350,000	3,350,000
Preferred Stock	-	-

13.2. Amount of paid-in capital, explanations as to whether the registered share capital system is applied, if so the amount of registered share capital ceiling

Capital System	Paid-in Capital	Ceiling
Registered Capital System	3,350,000	20,000,000

13.3. Capital increases and sources in the current period and other information based on increased capital shares

None (31 December 2023 - None).

13.4. Information on share capital increases from revaluation fund during the current period

None (31 December 2023 - None)

13.5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period

The Group does not have any capital commitments, all of the capital is fully paid-in.

13.6. Information on prior period’s indicators on the Bank’s income, profitability and liquidity, and possible effects of these future assumptions on the Bank’s equity due to uncertainties of these indicators

None (31 December 2023 - None).

13.7. Information on the privileges given to stocks representing the capital

None (31 December 2023 - None).

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	33,500,000	33,500,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums ^(*)	714	714
Common Stock Withdrawal Profits	-	-

^(*) Due to the Parent Bank’s capital increase at the prior periods, common stock issue premium accounted amounting to TL 714.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

15. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	189,877	-	153,018	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	189,877	-	153,018	-
Securities Measured at FV Through Other Comprehensive Income	(3,513,668)	(900,979)	(536,368)	(1,110,440)
Valuation Differences	(3,513,668)	(900,979)	(536,368)	(1,110,440)
Foreign Exchange Rate Differences	-	-	-	-
Total	(3,323,791)	(900,979)	(383,350)	(1,110,440)

16. Information on accrued interest and expenses

The details of interest and rediscounts distributed on the related accounts and the details of the unrealized fair value increases (decreases) are presented in the table below.

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities	6,604,530	4,729,488	1,436,361	3,559,368
Deposits	15,740,341	264,318	12,924,762	310,841
Funds Borrowed	416,195	3,196,932	430,151	1,754,602
Money Market Borrowings	152,817	12,172,018	45,111	9,582,323
Issued Securities	354,031	934,919	16,905	509,179
Other Accruals	1,924,164	1,020,456	1,229,547	1,234,481
Total	25,192,078	22,318,131	16,082,837	16,950,794



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items

1. Explanations on off-balance-sheet-commitments

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Credit Cards Limit Commitments	701,154,935	376,605,042
Commitment For Use Guaranteed Credit Allocation	170,604,108	93,560,986
Payment Commitments for Cheques	57,800,503	10,962,370
Forward Asset Purchase Commitments	14,191,940	6,177,238
Other Irrevocable Commitments	9,978,545	6,684,472
Commitments for Promotions Related with Credit Cards and Banking Activities	266,571	211,656
Tax and Fund Liabilities due to Export Commitments	638,126	279,060
Total	954,634,728	494,480,824

1.2. Type and amount of probable losses and obligations arising from off-balance sheet items

A provision of TL 1,624,556 (31 December 2023 - TL 1,938,203) has been made for non-compensated and non-cash loans or expected loan losses on off-balance sheet loans.

1.3. Non-cash loans including guarantees, bank acceptance loans, collaterals that are accepted as financial guarantees and other letter of credits

	Current Period	Prior Period
Bank Loans	18,581,093	13,059,090
Other Letters of Guarantee	15,368,558	11,518,004
Total	33,949,651	24,577,094

1.4. Guarantees, suretyships and other similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	40,096,354	27,300,457
Final Letters of Guarantee	22,796,737	16,887,172
Advance Letters of Guarantee	3,328,527	1,165,597
Letters of Guarantee Given to Customs Offices	1,548,798	1,349,881
Other Letters of Guarantee	40,138,418	31,198,845
Total	107,908,834	77,901,952

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	15,592,562	13,306,425
Less Than or Equal to One Year with Original Maturity	1,344,736	385,093
More Than One Year with Original Maturity	14,247,826	12,921,332
Other Non-Cash Loans	126,265,923	89,172,621
Total	141,858,485	102,479,046



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items (Continued)

3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	203,956	0.30	137,642	0.19	244,389	0.50	-	-
Farming and Raising Livestock	167,401	0.24	137,642	0.19	167,207	0.34	-	-
Forestry	22,753	0.03	-	-	20,553	0.04	-	-
Fishing	13,802	0.02	-	-	56,629	0.12	-	-
Manufacturing	22,312,681	32.40	37,145,186	50.89	16,773,181	34.55	27,294,734	50.61
Mining and Quarrying	274,712	0.40	78,391	0.11	266,113	0.55	40,035	0.07
Production	20,040,580	29.10	36,129,372	49.49	15,420,248	31.76	26,788,571	49.67
Electricity, gas and water	1,997,389	2.90	937,423	1.28	1,086,820	2.24	466,128	0.86
Construction	15,845,388	23.01	14,850,501	20.34	9,320,457	19.20	10,709,626	19.86
Services	29,687,972	43.11	17,485,220	23.95	21,936,214	45.18	15,031,752	27.87
Wholesale and Retail Trade	19,603,101	28.47	6,785,297	9.30	14,842,936	30.57	6,380,976	11.83
Hotel, Food and Beverage Services	1,165,628	1.69	392,619	0.54	1,157,226	2.38	270,042	0.50
Transportation&Communication	1,380,295	2.00	929,169	1.27	873,419	1.80	1,208,576	2.24
Financial Institutions	3,677,524	5.34	6,643,406	9.10	3,185,438	6.56	5,004,867	9.28
Real Estate and Renting Services	282,648	0.41	319,959	0.44	80,816	0.17	448,926	0.83
Self Employment Services	1,801,022	2.62	1,306,032	1.79	1,177,719	2.43	915,500	1.70
Educational Services	27,813	0.04	-	-	35,652	0.07	-	-
Health and Social Services	1,749,941	2.54	1,108,738	1.52	583,008	1.20	802,865	1.49
Other	810,696	1.18	3,379,243	4.63	274,876	0.57	893,817	1.66
Total	68,860,693	100.00	72,997,792	100.00	48,549,117	100.00	53,929,929	100.00

4. Information on non-cash loans classified under group I and II

Current Period ^(*)	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	53,103,166	41,850,569	9,024,909	3,888,889
Bill of Exchange and Acceptances	6,121,744	10,735,309	537,400	1,186,640
Letters of Credit	16,649	13,081,741	15,525	2,254,643
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	59,241,559	65,667,619	9,577,834	7,330,172

^(*) The amount of TL 41,301 excluded for non-cash loans and ECL provision of non-cash loans which are under off-balance accounts and not indemnified and unliquidated but provisioned.

Prior Period ^(*)	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	43,640,862	32,668,546	408,231	1,156,409
Bill of Exchange and Acceptances	4,385,051	8,441,758	39,500	192,781
Letters of Credit	47,569	11,469,324	-	1,111
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	48,073,482	52,579,628	447,731	1,350,301

^(*) The amount of TL 27,904 excluded for non-cash loans and ECL provision of non-cash loans which are under off-balance accounts and not indemnified and unliquidated but provisioned.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items (Continued)

5. Information on derivative financial instruments

Types of trading transactions	Current Period	Prior Period
Foreign Currency Related Derivative Transactions (I)	602,599,184	536,429,759
Forward transactions ^(*)	134,611,688	62,546,387
Swap transactions	391,131,825	443,703,457
Futures transactions	620,832	15,572,793
Option transactions	76,234,839	14,607,122
Interest Related Derivative Transactions (II)	387,054,514	318,167,378
Forward rate transactions	-	-
Interest rate swap transactions	387,054,514	318,167,378
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	-	1,177,528
A. Total Trading Derivative Transactions (I+II+III)	989,653,698	855,774,665
Types of hedging transactions		
Fair value hedges	84,487,079	34,158,042
Cash flow hedges	231,489,223	171,214,277
Net investment hedges	-	-
B. Total Hedging Related Derivatives	315,976,302	205,372,319
Total Derivative Transactions (A+B)	1,305,630,000	1,061,146,984

^(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Breakdown of the Parent Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(*)	Forward Sell ^(*)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
Current Period									
TL	5,160,257	44,331,607	77,176,829	158,253,833	4,386,608	16,001,936	278,663	63,737	-
USD	36,870,865	10,700,154	335,635,044	240,843,489	18,553,816	12,376,054	53,802	224,630	-
Euro	22,017,131	14,115,716	65,187,290	144,249,788	13,661,381	10,234,813	-	-	-
Other	842,501	573,457	71,627,874	1,188,494	501,341	518,890	-	-	-
Total	64,890,754	69,720,934	549,627,037	544,535,604	37,103,146	39,131,693	332,465	288,367	-

^(*) This column also includes hedging purpose derivatives.

^(*) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

	Forward Buy ^(*)	Forward Sell ^(*)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
Prior Period									
TL	20,596,335	1,922,483	53,791,266	197,575,781	7,212,979	340,337	8,006,635	-	-
USD	6,647,440	21,756,859	342,643,535	191,780,185	520,376	5,008,813	-	6,947,062	1,177,528
Euro	4,263,478	6,310,130	46,838,735	93,849,575	9,153	1,515,464	-	-	-
Other	626,629	423,033	39,540,443	1,223,634	-	-	-	619,096	-
Total	32,133,882	30,412,505	482,813,979	484,429,175	7,742,508	6,864,614	8,006,635	7,566,158	1,177,528

^(*) This column also includes hedging purpose derivatives

^(*) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items (Continued)

5. Information on derivative financial instruments (Continued)

5.1. Fair value hedge accounting

a) Loans

The Group applies fair value hedge accounting within the framework of TAS 39 by performing swap transactions in order to protect itself against changes that may occur in the fair value of a certain part of its long term fixed interest loans resulting from changes in market interest rates. On 31 December 2024, the TL installment loans amounting to TL 26,423,651 (31 December 2023 - TL 725,780) were subject to hedge accounting by swaps with a nominal amount of TL 15,312,045 (31 December 2023 - TL 1,102,305). As of 31 December 2024, there was a loss of TL 109,365 from the mentioned loans (31 December 2023 - TL 92,934 income) and an income of TL 261 from swaps (31 December 2023 - TL 85,593 loss), resulting in a net market valuation difference loss of TL 190,104 which has been recognized in the accompanying financial statements under the “Income/Losses from Derivative Financial Transactions” account (31 December 2023 - TL 7,342 income).

According to TAS 39, fair value hedge accounting definitions, some of the fair value hedge accounting applications ceased. The fair value differences of the hedged loans are amortized through statement of profit or loss and other comprehensive income until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 31,650 (31 December 2023 - TL 247,211 income) related to the loans that are ineffective for hedge accounting under “Income/Losses From Financial Derivatives Transactions” as income during the current period.

There is no valuation effect recognized by the Subsidiary Company QNB Finansal Kiralama A.Ş. in the current period under the “Profit/Loss from Derivative Financial Transactions” account item regarding the financial leasing transactions whose effectiveness has deteriorated from hedge accounting. (31 December 2023 - None).

b) Financial assets at fair value through other comprehensive income

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Parent Bank using swaps as hedging instruments. As of the balance sheet date; Eurobonds with a nominal of USD 212,671 million (31 December 2023 - USD 212,671 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On 31 December 2024, the net market valuation difference income amounting to TL 27,106 due to loss from Eurobonds amounting to TL 329,370 (31 December 2023 - TL 17,532 loss) and income from swaps amounting to TL 356,476 (31 December 2023 - TL 14,757 income) is accounted for under “Income/losses from financial derivatives transactions” line in the accompanying financial statements (31 December 2023 - 2,775 TL loss).

The Parent Bank does not apply fair value hedge on TL government bonds in the current period (31 December 2023 - None).

c) Marketable securities issued

The Parent Bank applies fair value hedge accounting using interest rate swaps in order to hedge against changes in fixed interest rate with regard to the foreign currency-denominated fixed-rate securities issued. As of the balance sheet date, bonds with a nominal value of USD 500 Million (31 December 2023 - USD 300 Million) are subject to hedge accounting with the same nominal amount of swaps. As of 31 December 2024, a net market valuation difference loss of TL 34,778 consisting of TL 328,164 loss from the aforementioned securities (31 December 2023 - TL 45,580 loss) and TL 295,385 income from swaps (31 December 2023 - TL 39,605 income) is shown under “Income/Loss From Derivative Financial Transactions” account in the financial statements (31 December 2023 - TL 5,102 loss).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items (Continued)

5. Information on derivative financial instruments (Continued)

5.1. Fair value hedge accounting (Continued)

d) Borrowings

Subsidiary QNB Finansal Kiralama A.Ş. applies fair value hedge accounting through interest and currency swaps in order to protect itself from changes in interest rates in relation to fixed interest rate TL loans. There are no such hedges recognized as of the balance sheet date. (31 December 2023 - TL 99 loss.)

5.2. Cash flow hedge accounting

a) Floating Rate Loans

The Parent Bank is subject to cash flow hedge accounting through interest swaps in order to protect a certain part of its long term floating interest rate loans from changes in market interest rates. The Bank conducts effectiveness tests for hedge accounting on every balance sheet date, the active segments are accounted in the “Hedge Funds” account item in the financial statements as defined in TAS 39, and the amount related to the inactive part is associated with the statement of profit or loss and other comprehensive income.

In this context; as of the balance sheet date, swaps with a nominal amount of USD 665 Million (31 December 2023 - USD 525 Million) regarding the floating rate FX loans extended by the Bank are subject to hedge accounting as a hedging instrument. As a result of the said hedge accounting, fair value loss before tax amounting to TL 89,378 (31 December 2023 - TL 166,065 income) has been accounted for under equity in the current period. The income of the ineffective portion amounting to TL 13,380 is associated with the statement of profit or loss (31 December 2023 - TL 531 loss).

On the other hand; as of the balance sheet date, swaps with a nominal amount of TL 3,640 Million (31 December 2023 - TL 5,724 Million) regarding the floating rate TL loans extended by the Bank are subject to hedge accounting as hedging instruments. As a result of the aforementioned hedge accounting, the fair value income before tax amounting to TL 137,569 (31 December 2023 - TL 395,810 loss) has been accounted for under equity in the current period. There is no ineffective portion in the hedge accounting transaction (31 December 2023 - TL 55 loss).

b) Deposit

The Parent Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 3 months, the Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity “Hedging Funds”, whereas the ineffective portions are accounted for at statement of profit or loss and other comprehensive income as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 8,575,000 are subject to hedge accounting as hedging instruments (31 December 2023 - TL 1,405,000). As a result of the mentioned hedge accounting, fair value income before taxes amounting to TL 333,579 are accounted for under equity during the current period (31 December 2023 - TL 24,571 income). Income amounting to TL 3 related to ineffective portion is recognized in the statement of profit or loss (31 December 2023 - None).

As of the balance sheet date, swaps with a nominal amount of USD 1,884 Million (31 December 2023 - USD 1,771 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 216 Million (31 December 2023 - EUR 136 Million) have been subject to hedge accounting with Euro deposits. As a result of above mentioned hedge accounting, fair value income before taxes amounting to TL 425,597 (31 December 2023 - TL 347,876 loss) are accounted under equity during the current period. The income amounting to TL 29,693 (31 December 2023 - TL 15,970 income) relating to the ineffective portion is accounted under at the statement of profit or loss and other comprehensive income.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items (Continued)

5. Information on derivative financial instruments (Continued)

c) Floating Rate Liabilities

The Parent Bank applies cash flow hedge accounting through interest rate swaps in order to protect its subordinated loans with variable interest payments from changes in interest rates. The Bank conducts effectiveness tests for hedge accounting on every balance sheet date, the active segments are accounted in the “Hedge Funds” account item in the financial statements as defined in TAS 39, and the amount related to the inactive part is associated with the statement of profit or loss and other comprehensive income. As of the balance sheet date, the nominal amount of USD 186 Million (31 December 2023 - USD 217 Million) was subject to hedge accounting as hedging instrument. As a result of the mentioned hedge accounting, the fair value loss amounting to TL 46,324 (31 December 2023 - TL 249,573 loss) before tax was recognized under equity. The income amounting to TL 943,920 (31 December 2023 - TL 3,790 income) related to the ineffective portion of the relevant transaction is associated with the statement of profit or loss.

On the other hand; accounting application is terminated when cash flow hedge accounting is not effectively maintained as defined in TAS 39. According to that the effective amounts classified under equity due to hedge accounting are reclassified into profit or loss as the reclassification adjustments during periods or periods when the estimated cash flows subject to hedging in case of deterioration of the event affect profit or loss (such as the periods when interest income or expense is accounted for). Due to hedge accounting practices terminated in the current year, a loss amounting to TL 90,902 (31 December 2023 - TL 57,575 loss) was transferred from the “Income/loss from derivative financial transactions” to the statement of profit or loss and other comprehensive income.

In this context, in the current period, the Bank has transferred loss of TL 117,940 (31 December 2023 - TL 11,672 loss) from equity to the profit or loss statement related to terminated hedge accounting practices.

Subsidiary QNB Finansal Kiralama A.Ş. applies cash flow hedge accounting by means of interest and currency swaps in order to protect itself from the changes in interest rates regarding the floating rate foreign currency loans and floating rate securities. The Company applies effectiveness tests for hedge accounting at each balance sheet date, the effective parts are accounted for in the “Hedging Funds” account item under equity in the financial statements as defined in TAS 39, and the amount related to the ineffective part is associated with the profit or loss statement. As of the balance sheet date, swaps amounting to TL 2,761,377 are subject to hedge accounting. As a result of the aforementioned hedge accounting, in the current period, net market valuation difference income before tax amounting to TL 1,479 has been accounted for under “Hedging Funds” account item in the consolidated financial statements (31 December 2023 - TL 9,378 income).

In the measurements made As of 31 December 2024, it has been determined that the above-mentioned cash flow hedging transactions are effective.

6. Credit derivatives and risk exposures on credit derivatives

As of 31 December 2024, the Bank has no commitments “Credit Linked Notes” (As of 31 December 2023 - None).

In the ‘Derivative Financial Instruments’ section under ‘Other’ items, the Parent Bank does not have ‘Credit Default Swaps’ as of 31 December 2024 (31 December 2023 - USD 40,000,000).

7. Information on contingent liabilities and assets

The Parent Bank has recorded a provision of TL 100,869 (31 December 2023 - TL 92,874) for the lawsuits filed against the Bank with a high probability of occurrence, in accordance with Principle of Prudence. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items (Continued)

8. Information on the services in the name and account of third parties

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

9. Information on the Parent Bank’s rating by international rating institutions

MOODY’S July 2024		FITCH September 2024	
Appearance	Positive	Long -term issuer default rating(FC)	BB- (Stable)
Long-Term Deposit Rating (FC)	Ba3	Short -term issuer default rating(FC)	B
Long-Term Deposit Rating (TL)	Ba2	Long-term issuer default rating(TL)	BB- (Stable)
Short-Term Deposit Rating (FC)	NP	Short-term issuer default rating(TL)	B
Short-Term Deposit Rating (TL)	NP	Long-term national appearance	AA(tur) (Stable)
Main Credit Evaluation	b2	Shareholder support rating	b+
Adjusted Main Credit Evaluation	ba2	Financial capacity rating	bb-
Long Term FC Debt Rating/MTN	Ba3	Long-term priority unsecured debt	BB-
Subordinated	B1 (hyb)	Subordinated	B+

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income

1. a) Information on interest income on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term Loans	129,759,241	8,087,777	38,342,402	4,768,549
Medium and Long-Term Loans	60,515,556	11,452,084	29,933,893	8,764,370
Non-Performing Loans	1,930,358	-	788,510	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total^(*)	192,205,155	19,539,861	69,064,805	13,532,919

^(*) Includes fees and commissions income from cash loans



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank ^(*)	2,791,034	-	156,988	-
Domestic Banks	1,713,245	543	500,011	881
Foreign Banks	24,764	618,297	3,377	526,443
Foreign Headquarters and Branches	-	-	-	-
Total	4,529,043	618,840	660,376	527,324

^(*) The interest income on Required Reserve amounting TL 19,605,106 excluded from interest income on Banks. (31 December 2023 - TL 412,862).

c) Information on interest income on marketable securities

	Current Period	
	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	1,527,396	100,983
Financial Assets Measured at Fair Value through Other Comprehensive Income	33,538,318	1,859,525
Financial Assets Measured at Amortized Cost	26,905,751	1,937,432
Total	61,971,465	3,897,940

	Prior Period	
	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	383,739	29,497
Financial Assets Measured at Fair Value through Other Comprehensive Income	9,348,061	941,698
Financial Assets Measured at Amortized Cost	23,174,698	1,501,968
Total	32,906,498	2,473,163



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

c) Information on interest income on marketable securities (Continued)

As indicated in Footnote VII. number 2 of Section Three, the Parent Bank has inflation-linked government bonds in the financial asset portfolios, reflected in fair value changes recognized in other comprehensive income, and measured at amortized cost. As stated in the Ministry of Treasury and Finance’s Inflation-Indexed Bonds Investor Guide, the reference indices used for calculating the actual coupon payment amounts of these instruments are based on the inflation index of two months prior. In the valuation of related instruments, as of 31 December 2024, considered as the rate of 48.58%.

d) Information on interest income received from associates and subsidiaries

None (31 December 2023 - None).

2. a) Information on interest expense on borrowings(*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	4,836,679	13,604,119	1,800,168	8,272,954
T.R. Central Bank	-	-	-	-
Domestic Banks	2,855,812	651,125	1,558,590	354,066
Foreign Banks	1,980,867	12,952,994	241,578	7,918,888
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	4,836,679	13,604,119	1,800,168	8,272,954

(*) Includes fees and commissions expenses related to the cash loans.

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	165,392	28,607

c) Information on interest expense paid to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on securities issued	3,120,856	5,560,721	1,594,243	2,285,287



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

d) Information on maturity structure of interest expenses on deposits

Current Period

Account Name	Demand Deposits	Time Deposits					Accumulated Deposit Account	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	2,388,162	184,230	-	-	-	-	2,572,392
Saving Deposits	-	27,329,075	50,207,874	34,666,624	18,406,914	3,030,440	-	133,640,927
Public Sector Deposits	-	26,025	35,212	1,448	-	-	-	62,685
Commercial Deposits	-	21,671,403	12,640,868	9,629,210	4,707,253	2,423,207	-	51,071,941
Other Deposits	-	377,108	996,360	695,739	183,253	2,925	-	2,255,385
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	51,791,773	64,064,544	44,993,021	23,297,420	5,456,572	-	189,603,330
Foreign Currency								
Deposits	-	44,082	278,712	24,490	4,212	14,809	-	366,305
Bank Deposits	288	1,131,959	891,176	48,024	48,851	-	-	2,120,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1,388	-	-	-	-	-	1,388
Total	288	1,177,429	1,169,888	72,514	53,063	14,809	-	2,487,991
Grand Total	288	52,969,202	65,234,432	45,065,535	23,350,483	5,471,381	-	192,091,321

Prior Period

Account Name	Demand Deposits	Time Deposits					Accumulated Deposit Account	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	184,688	-	-	-	-	-	184,688
Saving Deposits	-	9,422,176	10,322,264	27,878,029	2,971,069	727,044	-	51,320,582
Public Sector Deposits	-	3,791	2,203	-	4	-	-	5,998
Commercial Deposits	-	5,810,244	4,930,800	5,124,923	1,732,531	1,228,998	-	18,827,496
Other Deposits	-	74,575	399,088	191,527	24,412	661	-	690,263
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	15,495,474	15,654,355	33,194,479	4,728,016	1,956,703	-	71,029,027
Foreign Currency								
Deposits	-	49,350	331,249	406,852	23,861	48,034	-	859,346
Bank Deposits	1,172	529,553	787,597	96,597	91,847	-	-	1,506,766
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2,489	-	-	-	-	-	2,489
Total	1,172	581,392	1,118,846	503,449	115,708	48,034	-	2,368,601
Grand Total	1,172	16,076,866	16,773,201	33,697,928	4,843,724	2,004,737	-	73,397,628

e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	22,465,190	2,653,623	1,371,741	1,206,816

^(*) Disclosed in “Interest on Money Market Transactions.”

f) Information on financial lease expenses

	Current Period	Prior Period
Leasing Expenses	324,717	145,924

g) Information on interest expenses on factoring payables

None (31 December 2023 - None).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

3. Information on dividend income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	22,069	12,353
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Other	1,428	714
Total	23,497	13,067

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	90,085,302	66,172,391
Income on Capital Market Transactions	3,927,769	4,351,652
From Derivative Transactions	58,141,146	26,054,897
Foreign Exchange Incomes	28,016,387	35,765,842
Trading Loss (-)	118,391,500	52,456,405
Losses on Capital Market Transactions	1,703,223	1,589,413
From Derivative Transactions	97,900,587	35,270,332
Foreign Exchange Losses	18,787,690	15,596,660
Net Trading Income/Loss	(28,306,198)	13,715,986

5. Information on other operating income

The Group recorded the current year collections from loans written off in the previous periods, portfolio management fees and expense accruals cancelations in “Other Operating Income” account.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

6. Provision for losses and other provision expenses

	Current Period	Prior Period
Expected Credit Losses	17,645,101	12,119,567
12 Month Expected Credit Loss (Stage 1)	816,128	4,309,259
Significant Increase in Credit Risk (Stage 2)	2,272,786	5,312,932
Lifetime ECL Impaired Credits (Stage 3)	14,556,187	2,497,376
Marketable Securities Impairment Provision	11,068	5,060
Financial Assets Measured at Fair Value Through Profit/Loss	-	-
Financial Assets Measured at Other Comprehensive Income	11,068	5,060
Provisions for Impairment of Associates, Subsidiaries and Joint Ventures	-	-
Investment in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other^(*)	(1,914,426)	2,853,258
Total	15,741,743	14,977,885

^(*) Includes free provision expense for possible risks amounting to TL 2,100,000 allocated in the current period.

7. Information on other operating expenses

	Current Period	Prior Period
Severance Pay Provision Expense ^(*)	493,395	280,936
Tangible Fixed Asset Depreciation Expenses	1,752,628	867,601
Intangible Asset Depreciation Expenses	1,267,996	444,590
Other Operating Expenses	10,508,810	6,397,791
TFRS 16 Leasing expenses	21,530	8,922
Maintenance expenses	1,575,209	1,116,352
Advertisement expenses	1,209,337	636,518
Other expenses	7,702,734	4,635,999
Loss on sales of assets	18,272	84
Other	5,967,295	2,923,465
Total	20,008,396	10,914,467

^(*) Reserve for employee termination benefits^(*) is included in the “Personnel Expenses” account item in the financial statement.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

8. Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

	Current Period ^(*)	Prior Period ^(*)
Independent audit fee for the reporting period	28,868	12,663
Fees for tax advisory services	-	-
Fee for other assurance services	11,273	6,055
Fees for services other than independent auditing	-	-
Total	40,141	18,718

(*) Consolidated amounts are reported.

(**) VAT excluded.

9. Explanation on profit/loss before tax from continuing and discontinued operations

As of 31 December 2024, net interest income amounting to TL 74,609,383 (31 December 2023- TL 38,325,450), net fee and commission income amounting to TL 53,705,691 (31 December 2023 - TL 20,306,295) and other operating income amounting to TL 1,308,335 (31 December 2023 - TL 2,418,546) have important place among income items related to continuing operations.

10. Explanation on tax provision for continuing and discontinued operations

10.1. Calculated current tax income or expense and deferred tax income or expense

As of 31 December 2024, the Parent Bank has a current tax expense of TL 9,286,777 (31 December 2023 - TL 10,895,200), deferred tax expense of TL 4,666,434 (31 December 2023 - TL 3,287,001) deferred tax income of TL 3,018,016 (31 December 2023 - TL 8,116,283).

10.2. Explanations on operating profit/loss after tax

None (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

11. Explanation on net profit/loss for the period from continuing and discontinued operations

The profit generated by the Group from continuing operations is TL 36,181,568 (31 December 2023 - TL 33,177,934).

12. Explanations on net profit and loss for the period

12.1. If disclosure of the nature, amount and recurrence rate of income and expense items arising from ordinary banking transactions is necessary for an understanding of the Group's performance during the period, the nature and amount of these items

None (31 December 2023 - None).

12.2. The effect of the change in the estimates made by the Group regarding the financial statement items on profit/loss

None (31 December 2023 - None).

12.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit/Loss Attributable to Minority Shares	7,270	4,969

12.4. There is no change in the accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods

13. Information on the components of other items in the statement of profit or loss and other comprehensive income exceeding 10% of the total, or items that comprise at least 20% of the statement of profit or loss and other comprehensive income

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded in the “Others” line under “Fees and Commissions Received” account, while fees and commissions given to credit cards are recorded in the “Others” line under “Fees and Commissions Paid” account by the Parent Bank.



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity

1. Changes arising from the revaluation of financial assets at fair value through other comprehensive income

The net decrease of TL 2,730,980 after the tax effect arising from the remeasurement of the Group's financial assets at fair value through other comprehensive income (31 December 2023 - TL 3,345,573 net decrease) will be recorded in equity as “Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss” account.

2. Explanations on foreign exchange differences

None (31 December 2023 - None).

3. Explanations on dividends

3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no dividend notified before the promulgation of financial statements. It was decided to distribute the profit of 2023 as stated below at the Ordinary General Assembly held on 28 March 2024:

2023 profit distribution table	
Current Year Profit	33,172,442
A - I. Legal Reserve (TCC 466/1) 5%	-
B - The First Dividend for Shareholders	-
C - To Owners of Founding Shares	-
D - II. Legal Reserves	-
E - Profit from Disposal of Associates Fund	-
F- Property Sales Income Fund (CTL 5.1/E)	279
G - Extraordinary Reserves	33,172,163

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date (31 December 2023 - None).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserve from Retained	-	-

4. Information on issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (31 December 2023 - None).

5. Information on the other capital increase items in the statement of changes in shareholders' equity

There was no capital increase in 2024 (31 December 2023 - None).



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations and Disclosures Related to Consolidated Statement of Cash Flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

“Other items” amounting to TL 29,831,325 (31 December 2023 - TL 51,625,431) in “Operating profit before changes in operating assets and liabilities” consist of fees and commissions paid amounting to TL 17,292,740 (31 December 2023 - TL 8,133,453), net trading income amounting to TL 5,057,016 (31 December 2023 - TL 63,217,592 net trading income) and other operating expenses amounting to TL 17,595,601 (31 December 2023 - TL 3,458,708).

“Other” item in the “Change in other assets of the field of banking” amounting to TL 22,856,945 (31 December 2023 - TL 9,626,574), guarantees given to TL 74,268 (31 December 2023 - TL 511,687), rental receivables from transactions amounting to TL 5,382,040 (31 December 2023 - TL 7,386,456), factoring receivables amounting to TL 11,622,955 (31 December 2023 - TL 5,901,861) and other assets of TL 22,782,677 (31 December 2023 - TL 9,114,887).

The “Other” item amounting to TL 166,769,031 (31 December 2023 - TL 20,942,643) included in the “change in other debts subject to banking activity”, TL 117,904,113 (31 December 2023 - TL 7,635,935) to money markets, TL 51,066,600 (31 December 2023 - TL 15,596,658) to other liabilities and TL 2,201,682 (31 December 2023 - TL 2,289,950) includes capital reserves.

The effect of change in foreign exchange rate on cash and cash equivalents is the sum of the foreign exchange differences arising from the conversion of the average balances of cash and cash equivalents in foreign currency to TL at the beginning of the period and at the end of the period. As of 31 December 2024, TL 763,980 (31 December 2023 - TL 2,231,281).

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	31 December 2023
Cash	12,933,483
Cash in TL	2,150,944
Cash in Foreign Currencies	9,412,639
Other	1,369,900
Cash Equivalents	106,444,295
Balances with the T.R. Central Bank	83,652,347
Banks and Other Financial Institutions	17,184,548
Money Market Placements	5,736,581
Less: Accruals	(129,181)
Cash and Cash Equivalents	119,377,778



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations and Disclosures Related to Consolidated Statement of Cash Flows (Continued)

3. Information regarding the balances of cash and cash equivalents at the end of the period

	31 December 2024
Cash	14,290,446
Cash in TL	2,960,303
Cash in Foreign Currencies	10,282,554
Other	1,047,589
Cash Equivalents	149,051,985
Balances with the T.R. Central Bank	139,012,448
Banks and Other Financial Institutions	19,989,992
Money Market Placements	601,134
Less: Accruals	(10,551,589)
Cash and Cash Equivalents	163,342,431

4. Restricted cash and cash equivalents due to legal requirements or other reasons

A portion of foreign bank accounts amounting to TL 693,373 (31 December 2023 - TL 628,304) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

5. Additional information

5.1. Restrictions on the potential borrowings that can be used for banking operations or capital commitment

None (31 December 2023 - None).

5.2. The sum of cash flows that show the increases in banking activity capacity, apart from the cash flows needed to maintain current banking activity capacity

None (31 December 2023 - None).

VII. Explanations and Disclosures Related to the Parent Bank’s Risk Group

1. The volume of transactions relating to the Bank’s risk group, outstanding loan and deposit transactions and profit and loss of the period

1.1. As of 31 December 2024, the Parent Bank’s risk group has deposits amounting to TL 3,916,431 (31 December 2023 - TL 9,073,791), cash loans amounting to TL 1,641 (31 December 2023 - TL 5,469) and non-cash loans amounting to TL 2,406,619 (31 December 2023 - TL 2,405,453).

Current Period

Parent Bank’s Risk Group ^(*)	Associates and Subsidiaries (Partnerships)		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group	
	Cash	Non- Cash	Cash	Non- Cash	Cash	Non- Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	194	-	2,316,570	5,469	88,689
Balance at the End of the Period	-	1,139	-	2,270,807	1,641	134,673
Interest and Commission Income	-	-	-	2,402	61,414	89



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations and Disclosures Related to the Parent Bank’s Risk Group (Continued)

Prior Period

Parent Bank’s Risk Group ^(*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	226	-	116,854	4,102	1,349
Balance at the End of the Period	-	194	-	2,316,570	5,469	88,689
Interest and Commission Income	-	-	-	2,242	3,800	-

^(*) As described in the Article 49 of Banking Law No 5411.

1.2. Information on deposits of the Parent Bank’s risk group

Parent Bank’s Risk Group ^(*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	251,658	152,259	-	-	8,822,133	572,625
Balance at the End of the Period	786,675	251,658	-	-	3,129,756	8,822,133
Interest Expense on Deposit	165,392	28,607	-	-	876,043	232,930

^(*) As described in the Article 49 of Banking Law No 5411.

1.3. Information on forward and option agreements and similar agreements made with the Parent Bank’s risk group

Parent Bank’s Risk Group ^(*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholders		Other Legal and Natural Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	48
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

^(*) As described in the Article 49 of Banking Law No 5411.

1.4. Information regarding benefits provided to the Top Management

As of 31 December 2024, the total amount of remuneration and bonuses paid to key management of the Group is TL 894,939 (31 December 2023 - TL 560,869).



QNB Bank Anonim Şirketi

(Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations and Disclosures Related to the Parent Bank’s Risk Group (Continued)

2. Disclosures of transactions with the Parent Bank’s risk group

2.1. Relations with entities in the risk group of/or controlled by the Parent Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other matters

As of 31 December 2024, the rate of cash loans of the risk group divided by to total loans is 0.0%; (31 December 2023 - 0.0%); the deposits represented 0.4% (31 December 2023 - 1.4%), the ratio of total derivative transactions with derivatives risk is 0.0% (31 December 2023 - 0.0%).

2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Parent Bank enters into finance lease agreements with QNB Finansal Kiralama A.Ş., one of the risk group companies it belongs to.

The Parent Bank provides insurance services to QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş. and agency services to QNB Yatırım Menkul Değerler A.Ş. for the purchase/sale of securities.

The Parent Bank has signed an agreement with Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Parent Bank participated with 33.33% shareholding, provides cash transfer services to the Parent Bank.

Information in regard to subordinate loans the Parent Bank received from Parent’s Bank is explained in Section 5 Note II. 12.

VIII. Explanations on the Parent Bank’s Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives of the Group

1. Information relating to the Parent Bank’s domestic and foreign branch and representatives

	Number	Employees			
Domestic Branch	426	14,533			
			Country		
Foreign Representation	-	-	-		
				Total Assets	Capital
Foreign Branch	1	8	1- Bahrain	160,189,785	-
			-	-	-



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations Related to the Parent Bank’s Operations

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

The issuance of The Bank after the balance sheet date are as follows:

Issue Date	Currency	Nominal Amount	Dates to Maturity
03.01.2025	USD	22,000,000	187
07.01.2025	USD	21,000,000	367
08.01.2025	GBP	17,200,000	390
08.01.2025	USD	50,000,000	182
10.01.2025	USD	20,000,000	367
13.01.2025	EUR	20,000,000	185
13.01.2025	EUR	50,000,000	942
15.01.2025	USD	30,000,000	563
22.01.2025	USD	25,000,000	558
22.01.2025	USD	20,000,000	558
23.01.2025	USD	10,000,000	368
24.01.2025	EUR	20,000,000	973
28.01.2025	USD	14,000,000	370
29.01.2025	USD	25,000,000	371
29.01.2025	USD	10,000,000	369
29.01.2025	USD	20,000,000	369
29.01.2025	USD	22,000,000	369
29.01.2025	EUR	20,000,000	369

In order to transfer of “<http://enpara.com>” banking services to Enpara Bank A.Ş through spin - off; The Board of Directors of the Parent Bank has decided on 13 January 2025 to authorize the Parent Bank’s Head Office to make relevant applications and correspondence with the Banking Regulation and Supervision Agency (BRSA) as per the “Banking Law” numbered 5411 and “Regulation on Merge, Acquisition, Division and Share Changes of Banks” published on the Official Gazette dated 1 November 2006 and other relevant authorities and to execute all necessary transactions in this regard.

2. Information on the effects of significant changes in foreign exchange rates after balance sheet date on the items denominated in foreign currency and financial statements and the Group’s operations abroad that would affect decision making process of users and foreign operations of the Bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

None.



QNB Bank Anonim Şirketi (Formerly Known as “QNB Finansbank Anonim Şirketi”)

Notes to Consolidated Financial Statements for the Year Ended 31 December 2024

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

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Independent Auditor's Report

The consolidated financial statements for the period ended 31 December 2024 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor's report dated 30 January 2025 is presented preceding the consolidated financial statements.

II. Explanations and Notes Prepared by Independent Auditor

None (31 December 2023 - None).



Appendices

In line with its sustainability strategy, QNB Türkiye prioritizes supporting human well-being, social progress, and economic resilience worldwide.







Key Performance Indicators

Customer Experience and Satisfaction	2021	2022	2023	2024
Digital Bridge - Customer Satisfaction Score C-Sat (%)	-	70	75	70
Call Answering Rate (%)	97.17	96.33	96.42	96.56
Call Center Customer Satisfaction Score - (Mass, SME)	4.66/5	4.72/5	4.76/5	4.78/5

Talent Management and Employee Wellbeing	2021	2022	2023	2024
Employee Engagement/Satisfaction Score	59	64	64	67
Employee Turnover Rate (%)	21	25	23	22.6
Voluntary Employee Turnover Rate (%)	14	18	17	15.9
Ratio of Employees Participating in Employee Satisfaction Survey (%)	79	71	82	83
Ratio of Employees Benefiting from Training During the Year (%)	99	99	98	100
Share of Employee Development in HR Budget (%)	1.2	1	1.3	1.3
Ratio of Employees with Regular Performance and Career Development Evaluations (%)	91	91	93	90
Distribution of Newly Recruited Employees by Gender	2,120	3,283	3,033	2,874
Male	842	1,333	1,195	1,152
Female	1,278	1,950	1,838	1,722
Completion Rate of Sustainability E-Trainings (%) ^{(1),(2)}	-	-	83.71 51.41	89.62 56.18
Completion Rate of E-Trainings on Gender Equality (%)	-	-	36.79	76.77
Rate of Clicks on Content Presented via DigiLearn (%)	14.40	18.72	26.89	28.43
Number of Students Offered Internship Opportunities through QNB 101, QNB 101 Branch, QNB Pro and FIN-ALLY MT Programs	1,198	686	639	1,492
FIN-ALLY	-	-	58	68
QNB 101	1,170	654	581	1,192
QNB Pro	28	32	-	-
QNB 101 Branch	-	-	-	232
Number of Ideas Collected from Employees through the Suggestion System and Response Rate (%)	3,515 - 100%	3,668 - 100%	3,490 - 100%	4,495 - 100%
Ratio of Employees Attending Trainings Offered through the Development Catalogue (%)	75	75	78	73
Number of Newly Recruited Employees	2,120	3,283	3,033	2,874
Male	842	1,333	1,195	1,152
Female	1,278	1,950	1,838	1,722
Number of Young Talent Programs and Number of Participants	5 - 3,630	5 - 2,750	5 - 2,499	6 - 4,221

⁽¹⁾ TBB Basic Sustainability Training

⁽²⁾ TBB Advanced Sustainability Training



Combating Climate Change and Environmental Compliance & ESG Impact on Lending and Sustainable Finance	2021	2022	2023	2024
CDP Climate Change Program Score	C	A-	A	A
CDP Water Security Program Score	-	-	A-	A
Share of Financed Renewable Energy Projects in Total Energy Projects Portfolio (%)	87	93	100	100
Site Visits Conducted within the Scope of Environmental and Social Risk Assessment	-	11	8	8
Amount of Installed Capacity Financed According to Renewable Energy Project Types (MWm) ⁽³⁾	1,569	1,569	1,569	1,556
WPP	49.8	49.8	49.8	49.8
SPP	129.4	129.4	129.4	214
HPP	1,367.1	1,367.1	1,367.1	1,267.5
GPP	24.5	24.5	24.5	24.5
Increasing the Proportion of Sustainability-related Project Finance in the Corporate and Commercial Finance Portfolio (%) ⁽⁴⁾	35.5	37.8	39.1	33.6
Number of Customers Informed about Environmental and Social Issues (USD 10 and above)	-	22	24	24

⁽³⁾ Includes cash and non-cash risks.

⁽⁴⁾ For projects with a loan amount above USD 10 million

Operational Excellence and Business Continuity	2021	2022	2023	2024
Number of business continuity exercises	0 ⁽⁵⁾	3	3	3
Number of employees trained on business continuity procedures	10,110	10,784	12,503	12,757

⁽⁵⁾ No exercise was carried out in 2021 due to the pandemic.

Financial Inclusion and Financial Literacy	2021	2022	2023	2024
Number of SME Customers	252,509	282,551	285,425	287,521
Amount of Loans Provided to Micro Scale Companies (TL Million)	14,461	29,995	37,615	52,918
Loan Amount Provided to SMEs (thousand TL)	47,773	90,425	118,666	166,130
Number of Digital Solutions Offered to SMEs via Digital Bridge	11	14	20	21

Digital Transformation and Innovation	2021	2022	2023	2024
Ratio of Financial Transactions Realized through Retail Digital Channels (%)	88.40	92.10	95.10	96.20
Ratio of Digital Active Customers in Retail Active Customers (%)	72.90	76.80	83.10	85.0
Ratio of Digital Active Customers in Corporate Active Customers (%)	-	69.1	79.9	87.3
Average Monthly Sessions in Digital Assistant Q (4 th Quarter)	2,962,072	4,503,997	7,213,733	8,102,017
Average Number of Customers Creating Monthly Sessions on Digital Assistant Q (4 th Quarter)	1,379,945	1,825,523	2,630,491	2,923,165
Average Monthly Sessions that Users Interacted (Asked or Answered Questions) with Digital Assistant Q (4 th Quarter)	1,500,609	2,222,018	3,390,813	3,783,982
Number of Startups Invested in with QNBeyond Ventures	2	4	0	2



Key Performance Indicators

Equal Opportunity, Diversity, and Gender Equality	2021	2022	2023	2024
Ratio of Women in Total Labor Force (%)	56.86	57.71	58.85	59.29
Ratio of Female Senior Management(%) (GM, EVPs and Head of Internal Systems)	21.05	23.50	23.53	23.53
Ratio of Women in Senior Management Positions(%) (Director and above)	27.19	27.59	32.76	37.93
Ratio of Women in Mid-Level Management(%) (Department Manager and Manager)	44.78	46.23	47.30	47.97
Ratio of Female Members in the Board of Directors (%) (Excluding General Manager)	22.22	30.00	30.00	30.00
Ratio of Female IT/Engineering Workers (%) (Information Technology and Engineering Roles such as Programming/ Coding, Research and Development)	35.07	35.90	36.63	36.69
Gender Pay Gap, Global Crude Average (%)	28.64	28.48	26.81	23.46
Ratio of Female Employees to Employees Promoted During the Year (%)	59.68	62.22	56.60	63.81

Environmental Impact of Operations ⁽⁶⁾	2021	2022	2023	2024
Scope 1 Emissions (tCO ₂ e)	14,950	14,786	15,265	15,238
Scope 2 Emissions (tCO ₂ e)	0	0	0	0
Scope 3 Emissions (tCO ₂ e)	24,870	20,921	14,668	20,446
Emission Intensity per Employee (tCO ₂ e/number of employees)	1.37	1.28	1.24	1.05 ⁽⁶⁾
Participation Rate of Employees in Environmental and Energy Management Systems and Zero Waste Trainings (%)	-	-	88	93

⁽⁶⁾ As of 2024, the calculation has been conducted, including subsidiaries.

Social and Community Investment	2021	2022	2023	2024
Total Social Investment Amount (TL)	940,000	5,730,000	56,750,000	15,500,000
Total Number of Children Reached with Small Hands Big Dreams Platform	570,000	600,000	700,000	720,000
Total Hours Allocated to Volunteering Activities	1,881	1,586	1,500 ⁽⁷⁾	2,770
Number of Volunteers	3,700	4,000	4,500	4,500+
Total Number of Projects Implemented under the Small Hands Big Dreams Platform	50+	65+	80+	85+

⁽⁷⁾ Decreased due to the impact of the devastating earthquake disaster that occurred in Türkiye in February 2023.

Responsible Purchasing and Supply Chain	2021	2022	2023	2024
Local Procurement Expenditure Ratio (%)	95.5	96.0	96.3	95.5



Performance Tables

Occupational Health and Safety Data

Occupational Health and Safety (OHS) Committees	2023	2024
Number of OHS Committees	4	4
Total Number of Members in OHS Committees	58	62
Number of Employee Representatives in OHS Committees	40	35

Occupational Health and Safety (OHS) Trainings	2023		2024	
	Total hours of training provided	Total number of employees participating ⁽⁸⁾	Total hours of training provided	Total number of employees participating ⁽⁸⁾
OHS Trainings (Basic)	7,586	4,536	9,632	5,645
Online OHS Trainings (OHS at Home)	5,884	11,768	819	1,942

⁽⁸⁾Number of employees who completed the training

Injury Rate ⁽⁹⁾	2021	2022	2023	2024
Direct Employment	0.148	0.131	0.532	0.202
Female	0.102	0.078	0.329	0.101
Male	0.046	0.052	0.203	0.101
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

⁽⁹⁾Injury Rate: $\text{Number of Injuries} / \text{Working Hours} * 200,000$ Working Hours Number of employees*8*Working Day

Occupational Disease Rate (ODR)	2021	2022	2023	2024
Direct Employment	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

Number of Occupational Diseases	2021	2022	2023	2024
Direct Employment	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0



Performance Tables

Lost Day Rate (LDR) ⁽¹⁰⁾	2021	2022	2023	2024
Direct Employment	0.618	0.933	2.559	2.218
Female	0.434	0.706	1.495	975
Male	0.185	0.227	1.064	1.244
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

⁽¹⁰⁾Lost Day Rate: (Total Lost Days/Working Hours)*200,000 (Accident Severity Rate)

Number of People Receiving Work Accident Report (Number of Injured People)	2021	2022	2023	2024
Direct Employment	16	15	63	24
Women	11	9	39	12
Male	5	6	24	12

Number of Days of Absence due to Accident	2021	2022	2023	2024
Direct Employment	67	107	303	264
Female	47	81	177	116
Male	20	26	126	148
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

Absenteeism Rate (AR)	2021	2022	2023	2024
Direct Employment	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

Number of Work-Related Deaths	2021	2022	2023	2024
Direct Employment	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

Number of Fatal Cases	2021	2022	2023	2024
Direct Employment	0	0	1	0
Female	0	0	0	0
Male	0	0	1	0
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

Number of Accidents	2021	2022	2023	2024
Direct Employment	63	89	162	106
Female	33	50	84	68
Male	30	39	78	38
Contractor Company Employees	0	0	0	0
Female	0	0	0	0
Male	0	0	0	0

Accident Frequency Rate ⁽¹⁾	2021	2022	2023	2024
Direct Employment	0.581	0.776	1.368	0.891
Female	0.305	0.436	0.709	0.571
Male	0.277	0.340	0.659	0.319

⁽¹⁾Accident Frequency Rate: Number of Work Accidents/Working hours*200,000

Number of People Working in Positions with High Occupational Disease Risk	2021	2022	2023	2024
Direct Employment	0	0	0	0
Contractor Company Employees	0	0	0	0



Performance Tables

Human Resources Data

Employee Demographics	2021	2022	2023	2024
Total Number of Employees	10,944	11,426	11,747	11,949
Indefinite or Permanent Contract Employees	10,944	11,426	11,747	11,949
Male	4,721	4,832	4,834	4,865
Female	6,223	6,594	6,913	7,084
Employees with Fixed Term or Temporary Contracts	0	0	0	0
Male	0	0	0	0
Female	0	0	0	0
Full Time Employees	10,944	11,426	11,747	11,946
Male	4,714	4,829	4,834	4,864
Female	6,220	6,587	6,911	7,082
Part-Time Employees	10	10	2	3
Male	7	3	0	1
Women	3	7	2	2
Employee Distribution				
Number of Male Employees	4,721	4,832	4,834	4,865
Number of Female Employees	6,223	6,594	6,913	7,084
Female Employees on the Board of Directors	2	3	3	3
C-Suite / Female Employees in Senior Management (GM, EVPs and Head of Internal Systems)	4	4	4	4
Female Employees in Senior Management (Director and Above)	16	16	19	22
Female Employees in Middle Management (All Executive Titles Below "Director")	382	417	430	448
Female Employee Ratio (%)	57	58	59	59
Managers				
Board of Directors (Excluding General Manager)	9	10	10	10
Ratio of Women in Senior Management (General Manager, EVPs and Head of Internal Systems)	19	17	17	17
Senior Management Employees (Director and Above)	59	58	58	62
Middle Management Employees (All Executive Titles Below "Director")	853	902	909	934
Non-managerial Employees	10,032	10,466	10,780	10,953
Ratio of Women in Senior Management (%) (General Manager, EVPs and Head of Internal Systems)	21.05	23.53	23.53	22.53
Employees by Age				
Between 18-30 Years	4,091	4,529	4,752	4,862
Between 31-50 Years	6,651	6,541	6,538	6,541
51 Years and Over	202	356	457	546



Recruitment and Circulation	2021	2022	2023	2024
Recruitment of New Employees	2,120	3,283	3,033	2,874
Between 18-30 Years	1,973	3,030	2,710	2,530
Between 31-50 Years	147	251	320	340
51 Years and Over	0	2	3	4
Male	842	1,333	1,195	1,152
Female	1,278	1,950	1,838	1,722
Employee Turnover (Voluntary and Involuntary)	2,287	2,801	2,712	2,672
Between 18-30 Years	1,646	2,097	2,036	1,939
Between 31-50 Years	616	675	639	680
51 Years and Over	25	29	37	53
Male	983	1,218	1,193	1,121
Female	1,304	1,583	1,519	1,551
Employee Turnover Rate (%)	21	25	23	22.6
Employee Turnover (Voluntary)	1,575	2,009	2,031	1,880
Between 18-30 Years	1,264	1,652	1,690	1,527
Between 31-50 Years	295	344	329	339
51 Years and Over	16	13	12	14
Male	617	844	868	768
Female	958	1,165	1,163	1,112
Employee Turnover (Involuntary) (%)	14	18	17	16
Employees by Nationality				
Ratio of Turkish Citizens in Senior Management (%)	100	100	100	100
Ratio of Turkish Citizen Employees in Total Labor Force (%)	100	99.7	99.6	99.8
Total Number of Employees	10,921	11,394	11,705	11,930
Number of Turkish Citizen Female Employees	6,211	6,575	6,913	6,894
Number of Turkish Citizen Male Employees	4,710	4,819	4,792	5,036



Performance Tables

Employee Development	2021	2022	2023	2024
Total Training Hours Provided	579,866	775,917	805,269	833,762
Senior Management	558	3,625	530	517
Middle Management Employees	29,630	46,310	117,411	149,205
Non-Executive Employees	549,677	725,982	687,328	684,041
Male	218,130	293,002	304,168	307,014
Female	361,736	482,914	501,101	526,748
Average Training Hours Provided per Employee	53	68	69	70
Senior Management	23	63	25	25
Middle Management	33	51	30	36
Non-Management Employees	55	69	88	88
Male	46	60	63	63
Female	58	73	72	74
Total Number of e-Learning Hours Provided	30,395	71,273	84,816	40,901
Total Value Invested in Employee Learning and Development (TL)	26,124,526	44,510,336	107,715,941	206,705,258
Ratio of Employees Receiving Performance and Career Development Evaluations (%)	91	91	93	90
Middle Management	96	97	98	99
Non-Management Employees	90	90	91	96
Male	93	93	94	98
Female	89	89	90	95

Rights and Opportunities	2021	2022	2023	2024
Maternity Leave				
Number of Employees entitled to Parental Leave	607	496	429	462
Male	187	191	155	148
Female	420	305	274	314
Number of Employees Taking Parental Leave	607	496	429	462
Male	187	191	155	148
Female	420	305	274	314
Number of Employees Returning to Work after Parental Leave (Return to Work)	602	489	428	457
Male	187	191	155	148
Female	415	298	273	309
Number of Employees Returning from Parental Leave and Still Employed Twelve Months After Returning to Work (Retention)	576	477	415	437
Male	173	181	147	134
Female	403	296	268	303
Return to Work Rate (%)	99.18	98.59	99.77	98.92
Retention Rate (%)	94.89	96.17	96.74	94.59



Customer and Product Data

SME Finance Loan Portfolio by Segment (TL Million)	2021	2022	2023	2024
Micro Enterprises	14,461	29,995	37,615	52,918
Small Enterprises	13,279	27,019	33,186	46,540
Medium-sized Enterprises	20,033	33,411	47,866	66,672
Total SME Loans	47,773	90,425	118,666	166,130

Number of SME Financing Customers	2021	2022	2023	2024
Micro Enterprises	211,705	242,866	247,529	244,276
Small Enterprises	32,455	32,219	30,473	33,882
Medium-sized Enterprises	8,349	7,466	7,423	9,363
Total SMEs	252,509	282,551	285,425	287,521

Sustainable Products (USD)	2021	2022	2023	2024
Green buildings (financing of the contractor or developer of a LEED, BREEAM etc. certified building)	588,021,728	539,949,186	510,956,531	296,029,894
Total Renewable Energy Loans	136,805,191	110,548,671	86,897,730	100,855,469
Hydroelectricity	13,978,771	5,463,678	2,777,408	1,476,106
Wind	31,480,083	23,464,705	18,014,794	22,550,469
Solar Energy	91,346,336	81,620,288	66,105,528	76,828,894
Clean transport	148,427,540	242,834,015	278,092,824	161,396,332
Healthcare	-	-	-	29,884,674
Other	0	50,000,000	43,333,333	36,666,666

Financial Inclusion	2021	2022	2023	2024
Loan-to-Deposit Ratio for Total Corporate Loans (%)	208	188	170	196
Loan/Deposit Ratio for SMEs (%)	124	126	98	113
Loan Default Rate for All Corporate Loans (%)	4	3	2	8
Loan Default Rate for SMEs (%)	12	5	4	8
Income from Loans and Banking Products Targeting SMEs	374,883	702,287	1,781,771	3,565,463

Number of Transactions by Channel ⁽¹²⁾	2021	2022	2023	2024
Internet	71,879,237	70,711,581	108,507,812	128,963,610
Mobile	698,993,068	1,367,821,094	2,207,114,023	2,765,362,211
Telephone	187,425,067	190,810,388	258,994,600	265,112,993
ATM	124,490,808	154,748,251	166,099,746	169,901,848
Branch	102,704,239	110,679,473	115,866,106	108,280,378

⁽¹²⁾ Calculated by consolidating retail and commercial customers.

Sustainable Investment, Loan Allocation, Products, and Services	2021	2022	2023	2024
Share of Financed Renewable Energy Projects in Total Energy Projects Portfolio (%)	87	93	100	100
Site Visits Conducted within the Scope of Environmental and Social Risk Assessmen ⁽¹³⁾	0	11	8	8

⁽¹³⁾ Project Finance Portfolio



Performance Tables

Other Data

	2021	2022	2023	2024
Local Procurement Expenditure Ratio (%)	95.5	96.0	96.3	95.5
Total Number of Suppliers Attended	1,599	1,905	1,968	1,501
Total Hours Allocated to Volunteering Activities	1,881	1,586	1,500 ⁽¹⁴⁾	1,700
Total Social Investments	940,000	5,730,000	56,750,000	15,500,000
Corporate Governance and Risk Management	2021	2022	2023	2024
Confirmed Incidents of Bribery or Fraud (Number)	0	0	0	0
Independent Directors on the Board of Directors (%)	45.45	45.45	45.45	45.45
Ratio of Female Members in the Board of Directors (%) (excluding General Manager)	22	30	30	30
Capital Adequacy Ratio (CAR) (%)	15.91	15.11	16.66	17.3
Liquidity Coverage Ratio (LCR) (%)	145.5	166.8	173.7	170.5

⁽¹⁴⁾ It decreased due to the impact of the devastating earthquake disaster in Turkey in February 2023.

Environmental Data

Environmental Data 1	2024
Emissions per Employee (tCO ₂ e/Number of Employees)	1.05 ⁽¹⁵⁾
Emissions by Consolidated Asset Size (tCO ₂ e/USD million)	0.01
Emissions by Consolidated Asset Size (tCO ₂ e/TL million)	0.43
Consolidated Emissions by Net Profit (tCO ₂ e/TL million)	0.42
Consolidated Emissions by Net Profit (tCO ₂ e/USD million)	13.83
Purchased Water Volume (Bottled Water) (330ml - 15lt)(m ³)	377
Amount of Water Consumed per Employee (lt/gün) ⁽¹⁵⁾	40
Water Withdrawal and Discharge Volume (City Water, Drainage Water and Waste Water)(m ³)	146,357
Greenhouse Gas Emissions (Scope 1+ Scope 2+ Scope 3)(tCO ₂ e)	35,684
Scope 1 (tCO ₂ e)	15,238
Scope 2 (tCO ₂ e)	0
Scope 3 (tCO ₂ e)	20,446
Total Energy and Fuel Consumption (GJ)	484,665
Fuel Consumption	200,264
Electricity Consumption (Remote Work)	19,582
Natural Gas (Remote Work)	51,901
Scope 2 Energy Resources	212,916

⁽¹⁵⁾ Calculations are based on the number of employees including subsidiaries.



Environmental Data			2024
SCOPE 1	Category 1 - Stationary Combustion	Total Natural Gas Consumption (m ³)	1,404,876
		Diesel Consumption (Generator) (lt)	62,241
		Coal Consumption (kg)	0
		Biomass (kg)	50,000
		Diesel Consumption (Heating) (lt)	14,744
		LPG (Stationary Combustion Gases) (kg)	1,379
	Category 4 - Fugitive Emissions	Refrigerant Gases - Air Conditioning (kg)	764
		Fire Extinguisher Agents (kg) (CO ₂ -based)	692
Category 2 - Mobile Combustion	Company Vehicle Fuel Consumption (Diesel) (lt)	353,635	
	Company Vehicle Fuel Consumption (Gasoline) (lt)	4,001,867	
SCOPE 2	Category 1 - Purchased Electricity Emissions	Total Electricity Consumption (kWh) ⁽¹⁶⁾	59,143,390
SCOPE 3	Category 7 - Employee Commuting	Employee Shuttle Services (km)	4,257,849
	Category 6 - Business Travel	Business Travel (annual data provided by travel agency)	5,949,313
	Category 4 - Category 9 - Upstream and Downstream Transportation and Distribution	Product Transportation (transport of products to customers via sea, road, and air) (km.ton)	529,581
		Category 1 - Purchased Goods and Services	Paper Consumption (A4) (tons)
	Paper Cup Consumption (tons)		0
	Category 5 - Waste Generated in Operations	Contaminated Packaging Waste (kg)	145
		Air Filter Waste (kg)	2,35
		Oil Filter Waste (kg)	45
		Antifreeze Liquid (kg)	768
		Motor/Hydraulic Oils (kg)	1,058
		Battery and Accumulator Waste (kg)	224
		Fluorescent Waste (kg)	1,16
		Electronic Waste (kg)	2,545
		Scrap Equipment Containing Hazardous Parts (kg)	90
		Non-edible Liquid and Solid Oils (kg)	300
		Total Hazardous Waste Amount (kg)	
		Plastic Waste (tons)	11
		Paper Waste (tons)	138
		Metal Waste (tons)	3
		Glass Waste (tons)	39
		Total Packaging Waste Amount (tons)	191
	Medical Waste Amount (kg)	18	
	Disposals (Paper) (tons)	78	
	Disposals (Debit Cards) (tons)	719	
	Food Waste (tons)	20	
	Category 2 - Capital Goods	ATM Procurement (units)	300
		POS Device Procurement (units)	16,500
Tablet & Notebook Procurement (units)		4,65	
Server Procurement (units)		270	
Cash Counting Machine Procurement (units)		760	
Category 1 - Purchased Goods and Services	Monitor Procurement (units)	350	
	Slip Procurement (units)	836,39	
	Business Card Procurement (units)	1,119,500	
	Banking Contract (units)	1,099,000	
	Pen Procurement (units)	192,188	
	Box Procurement (units)	10,142	
	Receipt Procurement (Mio units)	11,065	
Purchased Glass Bottles, 330ml & 15L Water Dispenser (tons)	108,814		

⁽¹⁶⁾ (Zeroed with I-REC)



Glossary of Terms

Term	Explanation
API (Air Pollution Index)	The index measuring the level of air pollution.
Blue Bond	Blue bonds, a green financial method first introduced in 2018, are debt instruments issued by governments, development banks, or others to raise capital to finance marine- and ocean-oriented projects with environmental, economic, and climate benefits.
Carbon Border Adjustment Mechanism	It is a system that requires importers operating in the EU to purchase carbon certificates based on the carbon content embedded in the products they import, in accordance with the criteria set by the World Trade Organization (WTO). The CBAM is designed to be compatible with the rules set by the WTO. It is aimed to start the adjustment as of October 1, 2023, with a transition period of 3 years with no financial obligation. The implementation period will start in 2026. In the first phase, the iron and steel, cement, aluminum, electricity, and fertilizer sectors are selected to be subjected to the CBAM. The scope of the CBAM is expected to expand in the future.
Carbon Footprint	It refers to the equivalent of greenhouse gases in carbon dioxide that an individual, a country, or an organization releases into the atmosphere as a result of its activities.
CDP (Carbon Disclosure Project)	An international organization that provides useful information on climate change and the magnitude of greenhouse gas emissions, as a means for companies and investors to reduce emissions and positively support climate change.
Churn	The ratio of customers lost during a specific period to the total number of customers.
Club Loan	A club loan is a type of loan provided by a group of banks to a borrower. They are typically used for medium-sized loans and involve a smaller group of borrowers compared to syndicated loans.
Country Risk Premium	The country risk premium is the market's assessment of a country's ability to repay its debts. It often reflects perceptions regarding the economic and financial health of a country. The country risk premium represents the additional interest rate that investors require when purchasing a country's debt.
Derivatives Market	The operating logic of the Derivatives Market is based on futures and options contracts. In the Derivatives Market, futures contracts involve an obligation to buy or sell an asset at a specified price at a specified date.
ECA (European Cooperation Agency) Loans	Loans provided by the European Cooperation Agency to support the financing of transport projects.
Ecosystem	The interaction between living and non-living things in a certain area. In other words, this is the general name given to the interaction between plants, animals, air, soil, and the sun.
Emission	In general terms, it refers to gaseous, liquid, or solid substances released from a source into the environment.
In the context of sustainability, "emissions" is generally used to refer to the release of harmful substances into the atmosphere.	Finans sektöründe "hedge" veya "hedging" terimi, temelde riskten korunma yöntemini ifade eder. Bu, özellikle döviz, faiz oranları veya emtia gibi alanlarda yatırımcıların maruz kaldığı riskleri azaltmak için kullanılır.
Environmental Impact	Positive or negative impact of human activities on the environment caused by the projects that companies will and have carried out.
ERP (Enterprise Resource Planning)	A type of software that enables a company to manage all business processes (finance, human resources, production, supply chain, sales, customer service, etc.) by combining them in a single integrated system.
Eurobond	A debt instrument issued by a state or company in foreign currency in international markets outside its own country.
European Green Deal	The policy package, introduced on 1 December 2019, aiming to achieve net-zero greenhouse gas emissions in European Union countries by 2050, ensure that economic growth is independent of natural resources, and guarantee that no region is left behind in this aim.
Green Asset Ratio	The green asset ratio is a performance indicator used to measure a financial institution's contribution to environmental sustainability. It is a ratio that demonstrates how much a bank or financial institution invests in activities that are considered "green."
Green Borrowing	It is a type of borrowing used to finance environmental projects. By investing in green bonds or green loans, investors finance eco-friendly projects such as renewable energy, energy efficiency, clean transportation, and sustainable water management.
Hedging	In the financial sector, the term "hedge" or "hedging" basically refers to a method of protection against risk. This is used to reduce the risks to which investors are exposed, especially in certain areas such as foreign exchange, interest rates, or commodities.
I-REC	An international certification system that certifies that the electricity produced and consumed is generated from renewable energy sources and specifies its environmental characteristics.
KPI	A performance indicator or key performance indicator (KPI) is a performance measurement. KPIs provide data on the level of success a company achieves, as well as on the performance of its activities related to its projects, campaigns, products and services, and the like.



Term	Explanation
LLM (Large Language Model)	A large language model is a powerful artificial intelligence tool trained on vast amounts of textual data. This model has impressive capabilities to understand, interpret, and produce human language.
Macro Prudential Policies	Macro prudential policies, in general, aim to increase the resilience of the financial system against rapid credit growth and rising leverage ratios and to curb excessive growth in credit and asset prices.
Net Zero Emission	Net zero emissions refers to balancing the amount of greenhouse gases released into the atmosphere with the amount removed.
NGFS Scenarios	NGFS scenarios refer to climate change scenarios developed by the Network for Greening the Financial System (NGFS), a global network of central banks and financial supervisors dedicated to advancing green finance. These scenarios are used to assess the potential impacts of climate change and climate policies on economies and financial systems.
NLP (Natural Language Processing)	Natural language processing is an artificial intelligence field that enables computers to understand, interpret, and produce human language. It enables computers to analyze, understand, and interpret text and speech.
OCR (Optical Character Recognition)	OCR, which stands for Optical Character Recognition, is a technology that detects texts in images or scanned documents and converts them into editable and searchable digital text.
Recovery	The transformation of wastes that are likely to be recycled into a secondary raw material by going through a number of physical and/or chemical processes and thus being incorporated back into the production process.
Scope 1	Scope 1 emissions refer to direct greenhouse gas emissions from sources owned or controlled by an organization. Under Scope 1, also referred to as direct greenhouse gas emissions, stationary combustion, mobile combustion, process emissions, and fugitive emissions are taken into account.
Scope 2	Scope 2 emissions refer to greenhouse gas emissions generated during the production of energy resources (electricity, steam, heat, etc.) purchased by organizations. Purchased energy is also referred to as indirect emissions.
Scope 3	Scope 3 emissions refer to indirect greenhouse gas emissions that result from the organization's activities but cannot be directly controlled. This covers all "upstream" and "downstream" process emissions. An example of upward emissions is those from the production of goods required by a company in its own manufacturing process. Downstream process emissions are those caused by the goods produced by a company.
Scope 3 Category 15	Scope 3 greenhouse gas emissions are divided into 15 categories as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), and item 15 is Investments.
SDG (Sustainable Development Goals)	The 17 goals set by the United Nations, which aim to strike a balance between environmental protection, social inclusion, and economic growth.
Secondary Market Loans	Loans that were previously granted by a financial institution and then sold to another investor. In other words, the organization that originally granted the loan sells the loan to another investor instead of retaining it, thereby accelerating cash flow and freeing up capital.
Stress Test	A test used to assess the resilience of a portfolio, financial institution, or financial system in response to adverse events and shocks.
Sustainable Bond	Sustainable bonds are used to finance or refinance both green and social projects. By investing in these bonds, investors finance projects that contribute to the Sustainable Development Goals.
Sustainable Eurobond	A sustainable Eurobond is a type of Eurobond issued to finance environmental and/or social projects. It differs from traditional Eurobonds in that the funds raised are used to achieve specific sustainability goals.
Sustainable Syndication Loan	A sustainable syndicated loan is a type of loan provided by a group of banks to a borrower to finance environmental and/or social projects. It differs from traditional syndicated loans in that it is designed to finance specific sustainability initiatives and offers interest rate discounts or other favorable concessions on loan terms based on the borrower's sustainability performance.
SWAP (Sustainable Waste Action Plan)	A Sustainable Waste Action Plan is a strategic plan developed by an organization or group to improve waste management practices and achieve sustainability goals.
Syndication	Syndication is a financing method in which multiple banks come together to provide a large-scale loan to a single borrower.
Waste Disposal	The process of separating and eliminating, destroying, and recycling the harmful substances of hazardous wastes.
Zero Waste	It is a goal defined as a waste prevention approach including prevention of waste, using resources more efficiently, reducing the amount of waste generated, establishing an effective collection system, and recycling waste. 3Rs: Reduce, reuse, recycle. 4Rs: Refuse, reduce, reuse, recycle. 5Rs: Refuse, reduce, reuse, redesign, recycle.



Independent Assurance Report



Independent Auditor Limited Assurance Report

To the Board of Directors of QNB Bank A.Ş.

We were engaged by QNB Bank A.Ş. (hereinafter “Bank” or “QNB Bank”) to provide limited assurance on whether the “Selected Information” as defined in the Integrated Annual Report (hereinafter “the Report”) has been prepared by QNB Bank for the year ended 31 December 2024.

The scope of our assurance is limited to the Selected Information listed and described below for the relevant activities:

- Share of Financed Renewable Energy Projects in Total Energy Projects Portfolio (%)
- Amount of Installed Capacity Financed According to Renewable Energy Project Types (MWm)
- Site Visits Conducted within the Scope of Environmental and Social Risk Assessment
- Number of Customers Informed about Environmental and Social Issues (USD 10 and above)
- Proportion of Sustainability-related Project Finance in the Corporate and Commercial Finance Portfolio
- Emissions per Employee (tCO₂e/Number of Employees)
- Emissions by Consolidated Asset Size (tCO₂e/TLmillion)
- Emissions by Consolidated Asset Size (tCO₂e/USD million)
- Consolidated Emissions by Net Profit (tCO₂e/TL million)
- Consolidated Emissions by Net Profit (tCO₂e/USD million)
- Purchased Water Volume (Bottled Water) (330ml - 15lt)(m3)
- Amount of Water Consumed per Employee (lt)
- Water Withdrawal and Discharge Volume (City Water, Drainage Water and Waste Water)(m3)
- Greenhouse Gas Emissions (Scope 1+ Scope 2+ Scope 3)(tCO₂e)
- Scope 1 Emissions (tCO₂e)
- Scope 2 Emissions (tCO₂e)
- Scope 3 Emissions (tCO₂e)
- Total Energy and Fuel Consumption (GJ)
- Environmental Protection Investments (TL)
- Employee Turnover Rate (%)
- Voluntary Employee Turnover Rate (%)
- Employee Engagement/Satisfaction Score
- Distribution of Newly Recruited Employees by Gender
- Ratio of Women in Total Labor Force (%)
- Ratio of Female Senior Management(%) (GM, EVPs and Head of Internal Systems)
- Ratio of Women in Senior Management Positions(%) (Director and above)
- Ratio of Women in Mid-Level Management(%) (Department Manager and Manager)
- Ratio of Female IT/Engineering Workers (%) (Information Technology and Engineering Roles such as Programming/ Coding, Research and Development)
- Ratio of Female Employees to Employees Promoted During the Year (%)
- Number of Female Suppliers
- Lost Date Rate by Gender
- Number of Accidents by Gender
- Occupational Disease Rate by Gender (ODR)
- Number of Occupational Diseases by Gender
- Number of Fatal Cases by Gender
- Number of Days of Absence due to Accident by Gender
- Accident Frequency Rate by Gender
- Absenteeism Rate by Gender (AR)
- Injury Rate by Gender (IR)
- Number of People Receiving Work Accident Report by Gender (Number of Injured People)
- Number of Work-Related Deaths by Gender
- Number of People Working in Positions with High Occupational Disease Risk by Gender
- Digital Bridge - Customer Satisfaction Score C-Sat (%)
- Number of Digital Solutions Offered to SMEs via Digital Bridge
- Number of Startups Invested in with QNBeyond Ventures
- Number of business continuity exercises
- Number of employees trained on business continuity procedures
- Ratio of Financial Transactions Realized through Retail Digital Channels (%)
- Ratio of Digital Active Customers in Corporate Active Customers (%)
- Ratio of Digital Active Customers in Retail Active Customers (%)
- Average Number of Customers Creating Monthly Sessions on Digital Assistant Q (4th Quarter)
- Average Monthly Sessions that Users Interacted (Asked or Answered Questions) with Digital Assistant Q (4th Quarter)

**Management's responsibilities**

Management is responsible for the preparation and presentation of the Report for the Selected Information as described in the Report, and the information and assertions contained within it; for determining the QNB Bank objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that QNB Bank complies with laws and regulations applicable to its activities.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

The firm International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on a Selected Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Selected Information.
- Re-performing, on a sample basis, the calculations used to prepare the Selected Information for the reporting period.
- Comparing the information presented in the Selected Information to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Selected Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Selected Information may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Selected Information, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information as defined in the Integrated Annual Report of QNB Bank's for the year ended 31 December 2024 is not presented, in all material respects.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than QNB Bank, for any purpose or in any other context. Any party other than QNB Bank who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than QNB Bank for our work, for this limited assurance report, or for the conclusions we have reached.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Şirin Soysal
Partner
İstanbul, 06 March 2025



Women's Empowerment Principles (WEPs) Progress Chart

Principles	Relevant Section of the Report
Principle 1: Providing high-level corporate leadership for gender equality	Equal Opportunity, Diversity and Gender Equality, pages 162-169 Board Diversity Matrix, pages 202-203
Principle 2: Treating all women and men fairly at work, respecting and promoting human rights and the principle of non-discrimination	Equal Opportunity, Diversity and Gender Equality, pages 162-169 Transparency, Legal Compliance and Business Ethics, pages 235-236
Principle 3: Ensuring the health, safety and welfare of all male and female employees	Talent Management, Planning and Employee Wellbeing, pages 172-177 Occupational Health and Safety, pages 182-183
Principle 4: Supporting women's education, training and professional development opportunities	Equal Opportunity, Diversity and Gender Equality, pages 162-169 Talent Management, Planning and Employee Wellbeing, pages 172-177
Principle 5: Applying entrepreneurial development, supply chain and marketing methods for women's empowerment	Financial Inclusion and Financial Literacy, pages 134-137 Equal Opportunity, Diversity and Gender Equality, pages 162-169
Principle 6: Promoting equality through community initiatives and advocacy endeavors	Corporate Memberships and Supported Initiatives, pages 98-99 Social and Community Investments, pages 188-193
Principle 7: Measuring and publicly reporting on progress to achieve gender equality	Equal Opportunity, Diversity and Gender Equality, pages 162-169 Gender Equality Guidelines



UNGC Index

Issues	Global Principles	Relevant Section of the Report
Human Rights	Principle 1: The business world should support and respect the protection of internationally proclaimed human rights.	Human Resources Approach and Management, pages 170-171
	Principle 2: Business world should make sure that they are not complicit in human rights abuses.	Transparency, Legal Compliance and Business Ethics, pages 235-236
Labor Standards	Principle 3: The business world should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Equal Opportunity, Diversity and Gender Equality, pages 162-169
	Principle 4: Elimination of all forms of forced and compulsory labor.	
	Principle 5: Elimination of all forms of child labor.	Transparency, Legal Compliance and Business Ethics, pages 235-236
	Principle 6: Elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Business world should support a precautionary approach to environmental challenges.	Corporate Memberships and Supported Initiatives, pages 98-99
	Principle 8: Business world should undertake initiatives to promote greater environmental responsibility.	Green Transformation, pages 104-123
	Principle 9: Business world should encourage the development and generalization of environmental-friendly technologies.	Reducing the Environmental Footprint and Impact Management, pages 154-157
Anti-Corruption	Principle 10: Business world should endeavor against corruption in all its forms, including extortion and bribery.	Transparency, Legal Compliance and Business Ethics, pages 235-236



GRI Content Index

GRI Services has reviewed whether the GRI Content Index has been presented in a manner consistent with the reporting requirements of the GRI Standards for the Content Index - Essentials Service and whether the information in the index is clearly presented and accessible to stakeholders.

Statement of use

QNB Türkiye has reported the period 1 January - 31 December 2024 in accordance with GRI Standards.

GRI 1

GRI 1: Organization 2021

Applicable GRI Sector Standard(s) Standard

Since the sector standard for the banking sector has not yet been prepared, no sector standard has been used.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL REMARKS		
GRI 2: General Remarks 2021	Organization and Reporting Practices	
	2-1 Organization details	About the Report, pages 14-15 QNB Group at a Glance, pages 28-29 About QNB Bank A.Ş., pages 30-31
	2-2 Entities included in the organization's sustainability reporting	About the Report, pages 14-15
	2-3 Reporting period, frequency, and contact point	Reporting is done on an annual basis. About the Report, pages 14-15 Contact (Back Cover)
	2-4 Restatements of information	There is no statement that has been re-issued.
	2-5 External assurance	Independent Assurance Report, pages XX-XX
	Activities and Employees	
	2-6 Activities, value chain, and other business relationships	QNB Group at a Glance, pages 28-29 About QNB Bank A.Ş., pages 30-31 Stakeholder Engagement and Communication, pages 94-97
	2-7 Employees	Employee Transformation, pages 162-185 Performance Tables, pages 619-627
	2-8 Non-employed workers	Employee Transformation, pages 162-185 Performance Tables, pages 619-627
	Governance	
	2-9 Governance structure and composition	Board Structure, pages 202-203 Board Diversity Matrix, pages 204-205 Organizational Structure and Changes, pages 206-207
	2-10 Nomination and selection of the highest governing body	Board Structure, pages 202-203 Board Diversity Matrix, pages 204-205 Organizational Structure and Changes, pages 206-207
	2-11 Chairperson of the highest governing body	Board, pages 34-37 Board Structure, pages 202-203 Board Diversity Matrix, pages 204-204 Organizational Structure and Changes, pages 206-207
	2-12 Role of the highest governance body in monitoring the management of impacts	Sustainability Governance, pages 88-89 Committees Under the Board, page 209 Other Committees Operating in the Bank, pages 210-213
	2-13 Delegation of responsibility for the management of impacts	Sustainability Governance, pages 88-89 Committees Under the Board, page 209 Other Committees Operating in the Bank, pages 210-213
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, pages 88-89
	2-15 Conflicts of interest	Conflicts of Interest Policy
2-16 Communication of critical issues	Stakeholder Engagement and Communication with Stakeholders, pages 94-97	
2-17 Collective knowledge of the highest governing body	"Board, pages 34-37 Senior Management, pages 38-41 Board Diversity Matrix, pages 204-205	
2-18 Performance evaluation of the highest governing body	Corporate Management, pages 202-267	



GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GRI 2: General Remarks 2021	2-19 Wage remuneration policies	Equal Opportunity, Diversity and Gender Equality, pages 164-171 Remuneration and Financial Rights, page 206
	2-20 Wage determination process	"Transformation of Employee, pages 162-185 Remuneration and Financial Rights, page 208
	2-21 Annual total compensation ratio	Unconsolidated Financial Statements and Independent Audit Report, page 412 Consolidated Financial Statements and Independent Audit Report, page 587
	Strategy, Policies, and Practices	
	2-22 Disclosure of the sustainable development strategy	Message of the Chairperson, pages 16-19 Message of the CEO, pages 20-23
	2-23 Policy commitments	<p style="text-align: center;">Environmental and Social Policies</p> <p style="text-align: center;">Sustainability Policy</p> <p style="text-align: center;">Environmental and Social Risk Management Policy</p> <p style="text-align: center;">Anti-Bribery and Anti-Corruption Policy</p> <p style="text-align: center;">Employee Code of Conduct Instruction</p> <p style="text-align: center;">Business Continuity Contingency Plan</p> <p style="text-align: center;">Gender Equality Guidelines</p> <p style="text-align: center;">Energy Policy</p> <p style="text-align: center;">Corporate Governance Policies</p> <p style="text-align: center;">Information Security and Cyber Security Policy</p> <p style="text-align: center;">Conflicts of Interest Policy</p> <p style="text-align: center;">Precious Metals Responsible Supply Chain Compliance Policy</p>
	2-24 Embedding policy commitments	Message of the Chairperson, pages 16-19 Message of the CEO, pages 20-23 Sustainability Strategy, pages 86-87 Sustainability Governance, pages 86-87 Corporate Governance, pages 202-266
	2-25 Processes to remediate negative impacts	Stakeholder Engagement and Communication with Stakeholders, pages 94-97 Transparency, Legal Compliance and Business Ethics, pages 237-238
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement and Communication with Stakeholders, pages 94-97 Transparency, Legal Compliance and Business Ethics, pages 237-238
	2-27 Compliance with laws and regulations	During the reporting period, no incidents of breach of laws and regulations occurred and no penalties were imposed for breach of laws and regulations. Transparency, Legal Compliance and Business Ethics, pages 237-238
	2-28 Corporate memberships	Corporate Memberships and Supported Initiatives, pages 100-101
	Stakeholder Engagement	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Communication with Stakeholders, pages 94-97
	2-30 Collective labor agreements	There is no collective labor agreement.



GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GRI 3: Material Topics 2021	3-1 Process of identifying priority issues	Priority Issues and Prioritization Matrix, pages 90-91
	3-2 List of prioritized issues	Priority Issues and Prioritization Matrix, pages 90-91
	Sustainable Financial Performance	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 90-91 QNB Türkiye in 2024, pages 62-79 Green Transformation, pages 106-125
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Outlook for 2024, pages 58-59 Key Financial Indicators, page 60 QNB Türkiye in 2024, pages 62-79 Value Creation Model, pages 84-87
	201-2 Financial impacts and other risks and opportunities arising from climate change	Green Transformation, pages 106-125
	Legal Compliance and Business Ethics	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 90-91 Transparency, Legal Compliance and Business Ethics, pages 237-238 Anti-Bribery and Anti-Corruption Policy
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for corruption-related risks	Transparency, Legal Compliance and Business Ethics, pages 237-238
	205-2 Communication and training on anti-corruption policies and procedures	Transparency, Legal Compliance and Business Ethics, pages 237-238
	205-3 Confirmed incidents of corruption and measures taken	Transparency, Legal Compliance and Business Ethics, pages 237-238
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination at QNB Türkiye during the reporting period. Transparency, Legal Compliance and Business Ethics, pages 237-238
GRI 408: Child Labor 2016	408-1 Activities and suppliers with significant risk of child labor incidents	QNB Türkiye does not employ child labor in any way, and expects its suppliers and other stakeholders in the value chain to comply with the age provisions specified in the relevant laws and regulations. Operational Transformation, page 160 Transformation of Employee, page 164 Sustainability Policy https://www.qnb.com.tr/surdurulebilirlik/surdurulebilirlikraporlar-politikalar



GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GRI 409: Forced/ Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	QNB Türkiye and all stakeholders in its value chain, mainly its suppliers, do not employ forced labor in any way. Operational Transformation, page 160 Transformation of Employee, page 164 Sustainability Policy https://www.qnb.com.tr/surdurulebilirlik/surdurulebilirlikraporlar-politikalar "
	Environmental Footprint Reduction and Impact Management	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 90-91 Managing Biodiversity and Forest Risks, page 116 Environmental Footprint Reduction and Impact Management, pages 156-159 Sustainable Value Chain Management, page 160 Energy Policy Zero Waste Certificate (Crystal Tower) LEED Certificate
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Footprint Reduction and Impact Management, pages 156-159 Performance Tables, pages 619-627
	302-2 Energy consumption outside of the organization	Environmental Footprint Reduction and Impact Management, pages 156-159 Performance Tables, pages 617-625
	302-3 Energy intensity	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	302-4 Reduction of energy consumption	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	302-5 Reductions in energy requirements of products and services	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
GRI 303: Water and Waste Water 2018	303-1 Interactions with water as a shared resource	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	303-2 Management of water discharge-related impacts	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	303-3 Water withdrawal	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	303-4 Water discharge	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	303-5 Water consumption	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Managing Biodiversity and Forest Risks, page 114



GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625"
	306-2 Management of significant waste-related impacts	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	306-3 Waste produced	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
	306-4 Waste diverted from disposal	Environmental Footprint Reduction and Impact Management, pages 154-157 Performance Tables, pages 617-625
GRI 308: Supplier Environmental Assessment 2016	308-2 Adverse environmental impacts on the supply chain and actions taken	During the reporting period, there were no significant adverse environmental impacts on the supply chain. Sustainable Value Chain Management, page 158
Combating Climate Change and Environmental Adaptation		
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Combating Climate Change and Environmental Compatibility, pages 106-108 Environmental Footprint Reduction and Impact Management, pages 154-157
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Environmental Footprint Reduction and Impact Management, pages 154-157 Key Performance Indicators, pages 614-616
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	Environmental Footprint Reduction and Impact Management, pages 154-157 Key Performance Indicators, pages 614-616
	305-3 Other indirect (Scope 3) greenhouse gas emissions	Environmental Footprint Reduction and Impact Management, pages 154-157 Key Performance Indicators, pages 614-616
	305-4 GHG emissions intensity	Environmental Footprint Reduction and Impact Management, pages 154-157 Key Performance Indicators, pages 614-616
	305-5 Reduction of GHG emissions	Environmental Footprint Reduction and Impact Management, pages 154-157 Key Performance Indicators, pages 614-616
Talent Management and Employee Wellbeing		
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Employee Transformation, pages 160-183 Employee Code of Conduct Instruction
GRI 401: Employment 2016	401-1 New employee recruitment and employee turnover	Employee Transformation, pages 160-183 Performance Tables, pages 617-625
	401-3 Parental leave	Employee Transformation, pages 160-183 Performance Tables, pages 617-625



GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, pages 182-183
	403-3 Occupational health services	Occupational Health and Safety, pages 182-183
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, pages 182-183
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 182-183 Performance Tables, pages 617-625
	403-6 Promotion of worker health	Occupational Health and Safety, pages 182-183
	403-9 Work-related injuries	Occupational Health and Safety, pages 182-183 Performance Tables, pages 617-625
	403-10 Work-related ill health	Occupational Health and Safety, pages 182-183 Performance Tables, pages 617-625
GRI 404: Education and Training 2016	404-1 Average hours of training per year per employee	Employee Transformation, pages 160-183 Performance Tables, pages 617-625
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Transformation, pages 160-183
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Transformation, pages 160-183
	Equal Opportunity, Diversity and Gender Equality	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Equal Opportunity, Diversity and Gender Equality, page 59 Gender Equality Guidelines
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Diversity Matrix, pages 202-203
	405-2 Ratio of basic salaries and wages of women to men	There is no gender-based discrimination in employee wages at QNB Türkiye. Equal Opportunity, Diversity and Gender Equality, pages 162-169
	Social and Community Investment	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Sustainable Society for the Future, pages 186-197
GRI 413: Local Communities 2016	413-1 Operations with local community participation, impact assessments and development programs	Sustainable Society for the Future, pages 186-197
	Cybersecurity and Customer Privacy	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Cybersecurity and Confidentiality of Customer Data, page 132 Data Protection and Management, page 133 Information Security and Cyber Security Policy ISO 27001 Information Security Management System Standard Certificate
GRI 418: Customer Confidentiality 2016	418-1 Proven complaints of breach of customer confidentiality and loss of customer data	Cybersecurity and Confidentiality of Customer Data, page 132 Data Protection and Management, page 133
	Corporate Governance and Risk Management	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Managing Risks Associated with Climate Change, pages 109-113 Managing Biodiversity and Forest Risks, page 114 Managing Water Risks, pages 114-115 Environmental and Social Risk Management System, pages 115-117 Corporate Management, pages 200-265



GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Customer Experience and Satisfaction	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Customer Experience and Satisfaction, pages 126-127
	Operational Excellence and Business Continuity	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Operational Excellence and Business Continuity, pages 151-153 Business Continuity Contingency Plan
	ESG Impact on Lending and Sustainable Finance	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Environmental and Social Risk Management System, pages 115-117 Products and Services Supporting the Transformation Economy, pages 118-123 Environmental and Social Risk Management Policy
	Digital Transformation and Innovation	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Digital Transformation and Innovation, pages 142-148 Platform Banking: The Digital Bridge, pages 149-150
	Financial Inclusion and Financial Literacy	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 Financial Inclusion and Financial Literacy, pages 134-137
	Sustainable Value Chain	
GRI 3: Material Topics 2021	3-3 Management of prioritized issues	Priority Issues and Prioritization Matrix, pages 88-89 The Value We Create, pages 80-101 Sustainability Policy



Task Force on Climate-Related Financial Disclosures (TCFD) Index

Focus Points	Recommendations	References
Governance	a. Describe the Board's oversight of climate related risks and opportunities.	Message of the Chairperson, pages 16-19 Sustainability Governance pages 86-87 CDP Climate Change and Water Security 2024 Report
	b. Describe the role of management in assessing and managing climate-related risks and opportunities.	
Strategy	a. Describe the climate related risks and opportunities in the short, medium and long term identified by the organization.	Managing Risks Related to Climate Change, pages 109-113 CDP Climate Change and Water Security 2024 Report
	b. Describe the impact of climate related risks and opportunities on the organization's operations, strategy and financial planning.	Sustainability Strategy, pages 84-85 Managing Risks Related to Climate Change, pages 109-113 Products and Services Supporting the Transformation Economy, pages 118-123 CDP Climate Change and Water Security 2024 Report
	c. Describe the resilience of the organization's strategy, taking into account different climate related scenarios, including the 2°C or lower scenario.	Managing Risks Related to Climate Change, pages 109-113 CDP Climate Change and Water Security 2024 Report
Risk Management	a. Describe the organization's processes for identifying and assessing climate related risks.	Combating Climate Change and Environmental Adaptation, pages 106-108 Managing Risks Related to Climate Change, pages 109-113 CDP Climate Change and Water Security 2024 Report
	b. Describe the organization's processes for managing climate related risks.	
	c. Describe how the processes of identifying, assessing and managing climate related risks are integrated into the organization's overall risk management process.	
Criteria and Goals	a. State the criteria used by the organization to assess climate related risks and opportunities in line with its strategy and risk process.	Green Transformation (Goals), page 105 Managing Risks Related to Climate Change, pages 109-113
	b. State the Scope 1, Scope 2 and, where applicable, Scope 3 greenhouse gas emissions and associated risks.	Internal Transformation (Goals), page 141 Reducing Environmental Footprint and Impact Management, pages 154-157
	c. Describe the objectives set by the organization to manage climate related risks and opportunities, and its performance against the objectives.	Key Performance Indicators, pages 614-616 CDP Climate Change and Water Security 2024 Report



SASB Index

Table 1. Sustainability Disclosure Topics and Metrics

Subject*	SASB Code	Category of Related Disclosures
Information Security	FN-CB-230a.1	Cybersecurity and Confidentiality of Customer Data, page 132 Data Protection and Management, page 133 GRI Index 418-1 Information Security and Cyber Security Policy
	FN-CB-230a.2	
Financial Inclusion and Capacity Building	FN-CB-240a.1	Financial Inclusion and Financial Literacy, pages 134-137
	FN-CB-240a.4	
Incorporating Environmental, Social and Governance Factors in Loan Analysis	FN-CB-410a.2.	Environmental and Social Risk Management System, pages 115-117 Products and Services Supporting the Transformation Economy, pages 118-123 Environmental and Social Risk Management Policy
Funded Emissions	FN-CB-410b.1	Managing Risks Related to Climate Change, pages 109-113 CDP Climate Change and Water Security 2024 Report
	FN-CB-410b.2	
	FN-CB-410b.3	
	FN-CB-410b.4	
Business Ethics	FN-CB-510a.2.	Transparency, Legal Compliance and Business Ethics, pages 235-236
Systemic Risk Management	FN-CB-550a.2	Assessment of the Audit Committee Regarding the Operation of Internal Control, Internal Audit and Risk Management Systems and its Activities during the Fiscal Year, pages 221-232

Table 2. Activity Metrics

Activity Metric	SASB Code	Category of Related Disclosures
(1) number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	FN-CB-000.B	Financial Inclusion and Financial Literacy, pages 134-137 Performance Tables, pages 617-625

*Topics not directly related to our banking activities are not included in the tables.

QNB Bank A.Ş.

Esentepe Mah. Büyükdere Cad. Kristal Kule Binası No: 215
34394 Şişli / İstanbul

Tel: +90 212 318 50 00

Trade Registry Number: 237525
MERSİS No: 0388-0023-3340-0576

www.qnb.com.tr