

QNB BANK ANONİM ŐİRKETİ

**UNCONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AS OF MARCH 31, 2025
TOGETHER WITH AUDITOR'S INTERIM REVIEW REPORT**



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with confidence**

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience Translation of the Auditor’s Review Report Originally Issued in Turkish)

Independent Auditors’ Review Report on Unconsolidated Interim Financial Information

To the Board of Directors of QNB Bank A.Ş.

Introduction

We have reviewed the unconsolidated statement of financial position of QNB Bank A.Ş. (“the Bank”) at March 31, 2025 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-months-period then ended. The Bank management is responsible for the preparation and fair presentation of these unconsolidated interim financial information 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 November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of Review

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

Basis of Qualified Conclusion

As stated in section 5, Part II 9.4 and Part IV 6 of Explanations and Footnotes Related to the Unconsolidated Financial Statements, the accompanying unconsolidated financial statements as of March 31, 2025 include a free provision at an amount of thousand TL 6.600.000, of which thousand TL 4.700.000 was provided in prior years and thousand TL 1.900.000 was provided in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. We provide a qualified conclusion due to the impact of this matter on the accompanying unconsolidated financial statements as of March 31, 25.



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Qualified Conclusion

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the unconsolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of the Bank at March 31, 2025 and of the results of its operations and its cash flows for the three-months-period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other Matters

The unconsolidated financial statements of the Bank as at December 31, 2024 and March 31, 2024 which were prepared in accordance with “BRSA Accounting Financial Reporting Legislation” were audited and reviewed by another independent audit firm respectively. The independent audit firm expressed a qualified opinion in their report issued on January 30, 2025 since the unconsolidated financial statements prepared as at December 31, 2024 include a free provision at an amount of thousand TL 4.700.000 of which thousand TL 6.800.000 provided in prior years and thousand TL 2.100.000 reversed in the current year by the Bank management outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Same independent audit firm expressed a qualified conclusion in their report issued on April 29, 2024 since the unconsolidated financial statements prepared as at March 31, 2024 include a free provision at an amount of thousand TL 5.400.000 of which thousand TL 6.800.000 provided in prior years and thousand TL 1.400.000 was reversed in the current period by the Bank management outside of the requirements of BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

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

Emre Çelik, SMMM
Partner

April 28, 2025
İstanbul, Türkiye

**THE UNCONSOLIDATED FINANCIAL REPORT OF QNB BANK A.Ş.
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

The Bank's;
Address of the head office : Esentepe 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 : www.qnb.com.tr
E-mail address : investor.relations@qnb.com.tr

The unconsolidated financial report for the three months period ended March 31, 2025, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- INTERIM REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements and related disclosures and footnotes for the three months period ended March 31, 2025, are prepared and reviewed 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

Yeşim Gura
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:

Name-Surname/Title : Mehmet Demirci / Financial Reporting Manager
Phone Number : (0 212) 319 69 22
Facsimile Number : (0 212) 318 55 78

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QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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 October 26, 1987 QNB Bank 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 September 25, 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

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 as of December 21, 2015. On April 7, 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 May 4, 2016 before the Competition Authority while permission transactions regarding direct/indirect share ownership which shall realize in related affiliates of the Bank (QNB Yatırım Menkul Değerler A.Ş., QNB Portföy Yönetimi A.Ş., QNB Finansal Kiralama A.Ş. and QNB Sağlık, Hayat, Sigorta ve Emeklilik A.Ş.). Before the related official bodies on May 12, 2016 and share transfer of the Bank has been completed on June 15, 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 October 20, 2016 and the company name started to be used with the registration of the General Assembly Resolution dated November 24, 2016 on November 30, 2016. According to the decision dated January 17, 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 January 19, 2018. On October 11, 2024 with the registration of the Bank's Extraordinary General Assembly resolutions dated October 1, 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."

99.88% of shares of QNB Finansbank A.Ş. are controlled by Qatar National Bank as of March 31, 2025 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 ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

GENERAL INFORMATION (Continued)

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 and Surname	Responsibility	Appointment Date	Education
Dr. Ömer A. Aras	Chairman	April 16, 2010	PhD
Yousef Mahmoud H. N. Al-Neama	Deputy Chairman and Executive Member	May 28, 2019	Masters
Saleh Nofal	Board Member and Chairman of the Audit Committee	March 30, 2023	Graduate
Ramzi T. A. Mari	Board Member and Audit Committee Member	June 16, 2016	Masters
Dr. Fatma Abdulla S.S. Al-Suwaidi	Board Member	June 16, 2016	PhD
Najla Ibrahim Al Mutawa	Board Member	March 27, 2025	Graduate
Osman Ömür Tan	Board Member and General Manager	January 1, 2022	Masters
Temel Güzeloğlu	Board Member	April 16, 2010	Masters
Yeşim Güra	Board Member and Audit Committee Member	March 30, 2023	Masters
Adel Ali M. A. Al-Malki	Board Member	May 28, 2019	Graduate
Noor Mohd J. A. Al-Naimi	Board Member and Audit Committee Member	June 22, 2017	Masters
Adnan Menderes Yayla	Executive Vice President	May 20, 2008	Masters
Köksal Çoban	Executive Vice President	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	PhD
Enis Kurtuluş	Executive Vice President	May 14, 2015	Masters
Murat Koraş	Executive Vice President	May 14, 2015	Masters
Engin Turhan	Executive Vice President	June 14, 2016	Masters
Cumhur Türkmen	Executive Vice President	June 11, 2018	Masters
Cenk Akıncılar	Executive Vice President	January 21, 2019	Graduate
Burçin Dündar Tüzün	Executive Vice President	December 1, 2019	Masters
Zeynep Kulalar	Executive Vice President	December 1, 2019	Graduate
Derya Düner	Executive Vice President	January 1, 2020	Graduate
Ali Yılmaz	Executive Vice President	January 1, 2020	Masters
İsmail Işık	Executive Vice President	January 18, 2023	Masters
Sercan Kısas	Head of the Department of Internal Control and Compliance	January 1, 2024	Masters
Ersin Emir	Head of Internal Audit	February 18, 2011	Masters
Zeynep Aydın Demirkıran	Head of Risk Management	September 16, 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	-
Other	4,108	0.12%	4,108	-

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 March 31, 2025, the Bank operates through 424 domestic (December 31, 2024 – 425), 1 abroad (December 31, 2024 – 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2024 – 1) branches. As of March 31, 2025, the Bank has 12,037 (December 31, 2024 – 11,949) 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.

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

QNB BANK ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED MARCH 31, 2025 (STATEMENT OF FINANCIAL POSITION) (Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – ASSETS

		Current Period 31.03.2025			Prior Period 31.12.2024			
		Section 5 Part I	TL	FC	TOTAL	TL	FC	TOTAL
I.	FINANCIAL ASSETS (NET)		304,817,211	232,644,633	537,461,844	273,713,221	158,184,304	431,897,525
1.1	Cash and Cash Equivalents		163,097,874	196,256,134	359,354,008	143,664,945	124,877,417	268,542,362
1.1.1	Cash and Balances with The Central Bank	(1)	163,104,510	157,038,524	320,143,034	143,519,916	109,580,869	253,100,785
1.1.2	Banks	(3)	6,724	39,242,467	39,249,191	9,785	15,316,083	15,325,868
1.1.3	Money Market Placement	(4)	1,604	-	1,604	150,531	-	150,531
1.1.4	Expected Credit Losses (-)		14,964	24,857	39,821	15,287	19,535	34,822
1.2	Financial Assets at Fair Value Through Profit or Loss	(2)	8,752,752	3,078,233	11,830,985	9,746,310	2,454,695	12,201,005
1.2.1	Government Debt Securities		7,879,256	2,021,965	9,901,221	8,806,321	1,564,852	10,371,173
1.2.2	Equity Securities		352,251	-	352,251	408,321	-	408,321
1.2.3	Other Financial Assets		521,245	1,056,268	1,577,513	531,668	889,843	1,421,511
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	(5)	120,207,252	24,634,350	144,841,602	116,058,981	24,151,851	140,210,832
1.3.1	Government Debt Securities		120,207,252	24,273,268	144,480,520	116,033,934	23,811,538	139,845,472
1.3.2	Equity Securities		-	18,951	18,951	-	17,104	17,104
1.3.3	Other Financial Assets		-	342,131	342,131	25,047	323,209	348,256
1.4	Derivative Financial Assets	(12)	12,759,333	8,675,916	21,435,249	4,242,985	6,700,341	10,943,326
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		8,178,486	6,433,824	14,612,310	3,330,553	4,248,519	7,579,072
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		4,580,847	2,242,092	6,822,939	912,432	2,451,822	3,364,254
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		736,038,386	347,849,450	1,083,887,836	690,876,123	308,678,460	999,554,583
2.1	Loans	(6)	678,183,114	319,893,293	998,076,407	632,318,353	278,680,341	910,998,694
2.2	Lease Receivables	(11)	-	-	-	-	-	-
2.3	Factoring Receivables		-	-	-	-	-	-
2.4	Other Financial Assets Measured at Amortized Cost	(7)	96,376,145	35,101,250	131,477,395	92,712,302	36,471,527	129,183,829
2.4.1	Government Debt Securities		96,376,145	35,101,250	131,477,395	92,712,302	36,326,963	129,039,265
2.4.2	Other Financial Assets		-	-	-	-	144,564	144,564
2.5	Expected Credit Losses (-)		38,520,873	7,145,093	45,665,966	34,154,532	6,473,408	40,627,940
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		19,544,676	-	19,544,676	19,587,542	-	19,587,542
4.1	Investments in Associates (Net)	(8)	53,722	-	53,722	53,737	-	53,737
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		53,722	-	53,722	53,737	-	53,737
4.2	Subsidiaries (Net)	(9)	19,488,154	-	19,488,154	19,531,005	-	19,531,005
4.2.1	Unconsolidated Financial Subsidiaries		18,982,108	-	18,982,108	19,024,959	-	19,024,959
4.2.2	Unconsolidated Non-Financial Subsidiaries		506,046	-	506,046	506,046	-	506,046
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)		21,199,032	682	21,199,714	21,280,694	609	21,281,303
VI.	INTANGIBLE ASSETS (Net)		5,171,122	-	5,171,122	4,407,812	-	4,407,812
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		5,171,122	-	5,171,122	4,407,812	-	4,407,812
VII.	INVESTMENT PROPERTY (Net)	(13)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	(14)	2,915,197	-	2,915,197	5,365,515	-	5,365,515
X.	OTHER ASSETS (Net)	(16)	29,463,786	2,333,530	31,797,316	27,834,693	1,940,795	29,775,488
TOTAL ASSETS			1,119,149,410	582,828,295	1,701,977,705	1,043,065,600	468,804,168	1,511,869,768

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

QNB BANK ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED MARCH 31, 2025 (STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Current Period 31.03.2025			Prior Period 31.12.2024		
Section 5 Part II		TL	FC	TOTAL	TL	FC	TOTAL
I.	DEPOSITS	(1) 685,760,669	311,140,208	996,900,877	605,589,925	274,633,404	880,223,329
II.	FUNDS BORROWED	(3) 814,135	191,184,917	191,999,052	639,909	155,679,038	156,318,947
III.	MONEY MARKETS	(4) 92,172,515	50,886,710	143,059,225	100,995,673	48,467,653	149,463,326
IV.	SECURITIES ISSUED (Net)	(5) 8,594,348	85,080,691	93,675,039	2,736,294	64,445,776	67,182,070
4.1	Bills	8,594,348	19,304,438	27,898,786	2,736,294	18,425,962	21,162,256
4.2	Asset Backed Securities	-	-	-	-	-	-
4.3	Bonds	-	65,776,253	65,776,253	-	46,019,814	46,019,814
V.	FUNDS	-	-	-	-	-	-
5.1	Borrower Funds	-	-	-	-	-	-
5.2	Other	-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT & LOSS	-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	3,477,739	3,856,943	7,334,682	6,604,530	4,744,276	11,348,806
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(2) 3,064,169	2,974,682	6,038,851	4,611,548	3,701,955	8,313,503
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(8) 413,570	882,261	1,295,831	1,992,982	1,042,321	3,035,303
VIII.	FACTORING LIABILITIES	-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(7) 1,658,200	829	1,659,029	1,678,670	131	1,678,801
X.	PROVISIONS	(9) 11,737,887	169,196	11,907,083	10,633,204	136,995	10,770,199
10.1	Restructuring Provisions	-	-	-	-	-	-
10.2	Reserve for Employee Benefits	3,227,911	41,364	3,269,275	3,753,455	38,387	3,791,842
10.3	Insurance Technical Provisions (Net)	-	-	-	-	-	-
10.4	Other Provisions	8,509,976	127,832	8,637,808	6,879,749	98,608	6,978,357
XI.	CURRENT TAX LIABILITY	(10) 3,260,052	-	3,260,052	3,194,270	-	3,194,270
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) -	32,182,189	32,182,189	-	32,298,839	32,298,839
14.1	Subordinated Loans	-	20,396,127	20,396,127	-	21,568,852	21,568,852
14.2	Other Debt Instruments	-	11,786,062	11,786,062	-	10,729,987	10,729,987
XV.	OTHER LIABILITIES	70,320,699	21,753,907	92,074,606	71,594,293	8,795,577	80,389,870
XVI.	SHAREHOLDERS' EQUITY	127,709,948	215,923	127,925,871	118,339,829	661,482	119,001,311
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	10,598,435	-	10,598,435	10,598,225	-	10,598,225
16.4	Other Comprehensive Income/Expense Items Reclassified to Profit or Loss	(4,978,437)	215,923	(4,762,514)	(3,160,475)	661,482	(2,498,993)
16.5	Profit Reserves	107,551,365	-	107,551,365	71,377,024	-	71,377,024
16.5.1	Legal Reserves	771,684	-	771,684	771,684	-	771,684
16.5.2	Status Reserves	-	-	-	-	-	-
16.5.3	Extraordinary Reserves	106,779,681	-	106,779,681	70,605,340	-	70,605,340
16.5.4	Other Profit Reserves	-	-	-	-	-	-
16.6	Profit/Loss	11,187,871	-	11,187,871	36,174,341	-	36,174,341
16.6.1	Prior Periods' Profit/Loss	-	-	-	-	-	-
16.6.2	Current Period's Net Profit/Loss	11,187,871	-	11,187,871	36,174,341	-	36,174,341
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,005,506,192	696,471,513	1,701,977,705	922,006,597	589,863,171	1,511,869,768

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

QNB BANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES FOR THE PERIOD ENDED MARCH 31, 2025

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

II. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

	Section 5 Part III	Current Period 31.03.2025			Prior Period 31.12.2024		
		TL	FC	TOTAL	TL	FC	TOTAL
		A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1,651,599,048	1,386,211,935	3,037,810,983	1,372,749,112
I. GUARANTEES	(1), (2), (3), (4)	82,968,553	88,262,747	171,231,300	68,928,481	73,407,316	142,335,797
1.1. Letters of guarantee		75,640,632	52,905,267	128,545,899	62,237,163	46,099,481	108,336,644
1.1.1. Guarantees subject to State Tender Law		1,432,704	399,680	1,832,384	1,188,060	360,738	1,548,798
1.1.2. Guarantees given for foreign trade operations		34,406,837	52,505,587	86,912,424	27,854,087	45,738,743	73,592,830
1.1.3. Other letters of guarantee		39,801,091	-	39,801,091	33,195,016	-	33,195,016
1.2. Bank loans		7,267,613	16,449,121	23,716,734	6,659,144	11,921,949	18,581,093
1.2.1. Import letter of acceptance		7,267,613	16,449,121	23,716,734	6,659,144	11,921,949	18,581,093
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		60,308	18,908,359	18,968,667	32,174	15,385,886	15,418,060
1.3.1. Documentary letters of credit		60,308	15,355,679	15,415,987	32,174	12,115,017	12,147,191
1.3.2. Other letters of credit		-	3,552,680	3,552,680	-	3,270,869	3,270,869
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)	1,181,156,154	54,630,243	1,235,786,397	1,014,118,120	54,165,765	1,068,283,885
2.1. Irrevocable commitments		1,088,430,230	47,855,227	1,136,285,457	905,586,551	49,048,177	954,634,728
2.1.1. Forward asset purchase and sales commitments		25,960,282	40,302,374	66,262,656	15,532,200	42,268,303	57,800,503
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		211,874,853	3,777	211,878,630	170,600,580	3,528	170,604,108
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		13,762,057	-	13,762,057	9,978,545	-	9,978,545
2.1.8. Tax and fund liabilities from export commitments		809,180	-	809,180	638,126	-	638,126
2.1.9. Commitments for credit card expenditure limits		827,802,159	-	827,802,159	701,154,935	-	701,154,935
2.1.10. Commitments for promotions related with credit cards and banking activities		253,429	-	253,429	266,571	-	266,571
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		7,968,270	7,549,076	15,517,346	7,415,594	6,776,346	14,191,940
2.2. Revocable commitments		92,725,924	6,775,016	99,500,940	108,531,569	5,117,588	113,649,157
2.2.1. Revocable loan granting commitments		92,725,924	6,775,016	99,500,940	108,531,569	5,117,588	113,649,157
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5), (6)	387,474,341	1,243,318,945	1,630,793,286	289,702,511	953,119,071	1,242,821,582
3.1. Derivative financial instruments for hedging purposes		68,871,866	288,129,445	357,001,311	66,760,432	247,975,909	314,736,341
3.1.1. Fair value hedge		17,729,379	76,702,568	94,431,947	15,312,045	69,293,755	84,605,800
3.1.2. Cash flow hedge		51,142,487	211,426,877	262,569,364	51,448,387	178,682,154	230,130,541
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		318,602,475	955,189,500	1,273,791,975	222,942,079	705,143,162	928,085,241
3.2.1. Forward foreign currency buy/sell transactions		70,988,953	107,395,505	178,384,458	33,959,665	47,955,670	81,915,335
3.2.1.1. Forward foreign currency transactions-buy		12,538,065	73,828,798	86,366,863	4,654,510	33,839,247	38,493,757
3.2.1.2. Forward foreign currency transactions-sell		58,450,888	33,566,707	92,017,595	29,305,155	14,116,423	43,421,578
3.2.2. Swap transactions related to foreign currency and interest rates		214,258,960	773,734,374	987,993,334	168,231,470	601,062,765	769,314,235
3.2.2.1. Foreign currency swap-buy		14,036,530	244,192,612	258,229,142	77,930	187,558,832	187,636,762
3.2.2.2. Foreign currency swap-sell		18,956,632	237,901,402	256,858,034	38,405,742	156,217,217	194,622,959
3.2.2.3. Interest rate swaps-buy		90,632,899	145,820,180	236,453,079	64,883,899	128,643,358	193,527,257
3.2.2.4. Interest rate swaps-sell		90,632,899	145,820,180	236,453,079	64,883,899	128,643,358	193,527,257
3.2.3. Foreign currency, interest rate and securities options		29,283,278	70,439,297	99,722,575	20,388,544	55,846,295	76,234,839
3.2.3.1. Foreign currency options-buy		11,467,158	37,903,262	49,370,420	4,386,608	32,716,538	37,103,146
3.2.3.2. Foreign currency options-sell		17,816,120	32,536,035	50,352,155	16,001,936	23,129,757	39,131,693
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		4,071,284	3,620,324	7,691,608	342,400	278,432	620,832
3.2.4.1. Foreign currency futures-buy		2,597,249	1,198,718	3,795,967	278,663	53,802	332,465
3.2.4.2. Foreign currency futures-sell		1,474,035	2,421,606	3,895,641	63,737	224,630	288,367
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		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		4,579,197,439	1,773,945,752	6,353,143,191	4,062,254,583	1,557,535,712	5,619,790,295
IV. ITEMS HELD IN CUSTODY		203,027,989	208,465,373	411,493,362	186,707,542	163,867,632	350,575,174
4.1. Customer Fund and Portfolio Assets		106,356,955	159,010,518	265,367,473	124,042,975	123,705,730	247,748,705
4.2. Investment securities held in custody		21,527,797	35,235,813	56,763,610	7,197,478	31,289,577	38,487,055
4.3. Checks received for collection		65,892,560	7,738,624	73,631,184	47,554,597	3,587,290	51,141,887
4.4. Commercial notes received for collection		9,250,677	3,619,395	12,870,072	7,912,492	2,649,524	10,562,016
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	2,861,023	2,861,023	-	2,635,511	2,635,511
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		2,469,069,675	812,460,706	3,281,530,381	2,199,855,869	730,804,542	2,930,660,411
5.1. Marketable securities		8,969,520	45,273,788	54,243,308	11,029,178	35,956,788	46,985,966
5.2. Guarantee notes		2,111,455	787,430	2,898,885	1,942,813	575,537	2,518,350
5.3. Commodity		1,878,261	-	1,878,261	1,878,689	-	1,878,689
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		622,601,454	366,151,834	988,753,288	553,311,156	330,679,284	883,990,440
5.6. Other pledged items		1,833,508,985	400,247,654	2,233,756,639	1,631,694,033	363,592,933	1,995,286,966
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		1,907,099,775	753,019,673	2,660,119,448	1,675,691,172	662,863,538	2,338,554,710
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		6,230,796,487	3,160,157,687	9,390,954,174	5,435,003,695	2,638,227,864	8,073,231,559

The accompanying notes are an integral part of these financial statements

QNB BANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED MARCH 31, 2025

(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 - 31.03.2025	Prior Period 01.01 - 31.03.2024
I.	INTEREST INCOME	(1)	97,931,528	56,027,427
1.1	Interest income on loans		67,211,579	41,884,630
1.2	Interest income on reserve deposits		8,955,600	1,116,147
1.3	Interest income on banks		5,240,976	580,821
1.4	Interest income on money market transactions		6,610	237,803
1.5	Interest income on securities portfolio		16,239,227	12,059,064
1.5.1	Financial assets measured at FVTPL		562,857	133,978
1.5.2	Financial assets measured at FVOCI		9,988,381	5,697,741
1.5.3	Financial assets measured at amortized cost		5,687,989	6,227,345
1.6	Financial lease income		-	-
1.7	Other interest income		277,536	148,962
II.	INTEREST EXPENSE (-)	(2)	77,226,399	41,408,034
2.1	Interest on deposits		59,567,133	35,127,693
2.2	Interest on funds borrowed		3,672,146	2,904,186
2.3	Interest on money market transactions		11,525,761	1,052,735
2.4	Interest on securities issued		2,233,257	1,483,765
2.5	Interests on leasings		135,819	67,643
2.6	Other interest expenses		92,283	772,012
III.	NET INTEREST INCOME (I - II)		20,705,129	14,619,393
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		15,579,168	9,675,619
4.1	Fees and commissions received		19,233,920	11,919,785
4.1.1	Non-cash loans		413,208	292,379
4.1.2	Others		18,820,712	11,627,406
4.2	Fees and commissions paid (-)		3,654,752	2,244,166
4.2.1	Non-cash loans		395	483
4.2.2	Others		3,654,357	2,243,683
V.	DIVIDEND INCOME	(3)	1,189	3,778
VI.	TRADING INCOME / LOSS (Net)	(4)	(4,475,071)	(6,598,657)
6.1	Trading income / loss on securities		1,273,688	216,593
6.2	Income / loss from derivative transactions		(2,093,496)	(11,831,216)
6.3	Foreign exchange income / loss		(3,655,263)	5,015,966
VII.	OTHER OPERATING INCOME	(5)	144,147	132,113
VIII.	TOTAL OPERATING GROSS PROFIT (III+IV+V+VI+VII)		31,954,562	17,832,246
IX.	EXPECTED CREDIT LOSSES (-)	(6)	6,005,681	3,228,637
X.	OTHER PROVISION LOSSES (-)	(6)	1,922,974	(1,685,339)
XI.	PERSONNEL EXPENSES (-)		5,692,300	3,859,327
XII.	OTHER OPERATING EXPENSES (-)	(7)	5,975,446	3,481,178
XIII.	NET OPERATING PROFIT / LOSS (VIII-IX-X-XI-XII)		12,358,161	8,948,443
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		2,409,292	1,161,757
XVI.	INCOME/LOSS ON NET MONETARY POSITION		-	-
XVII.	OPERATING PROFIT/LOSS BEFORE TAXES (XII+...+XV)	(8)	14,767,453	10,110,200
XVIII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	(9)	3,579,582	246,655
18.1	Current tax charge		65,782	1,420,288
18.2	Deferred tax charge (+)		3,577,953	574,235
18.3	Deferred tax credit (-)		(64,153)	(1,747,868)
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	(10)	11,187,871	9,863,545
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)	11,187,871	9,863,545
	Earnings Per Share		0.3340	0.2944

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

QNB BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2025**

(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 - 31.03.2025	Prior Period 01.01 - 31.03.2024
I. CURRENT PERIOD PROFIT/LOSS	11,187,871	9,863,545
II. OTHER COMPREHENSIVE INCOME	(2,263,311)	1,383,245
2.1 Other Income/Expense Items not Reclassified to Profit or Loss	210	(8,621)
2.1.1 Revaluation Surplus on Tangible Assets	-	-
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Income/Loss	321	(12,314)
2.1.4 Other Income/Expense Items not Reclassified to Profit or Loss	(15)	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(96)	3,693
2.2 Other Income/Expense Items Reclassified to Profit or Loss	(2,263,521)	1,391,866
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(5,475,666)	151,139
2.2.3 Income/Expense from Cash Flow Hedges	2,080,710	1,812,482
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	112,948	17,331
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	1,018,487	(589,086)
III. TOTAL COMPREHENSIVE INCOME (I+II)	8,924,560	11,246,790

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

QNB BANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED MARCH 31, 2025

(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	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss			Translation Differences	Other Comprehensive Income/Expense Items Reclassified to Profit or Loss		Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
						Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Income/loss	Other ^(*)		Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Other ^(**)					
Prior Period - 01.01 - 31.03.2024																
I. Prior Period End Balance		3,350,000	714	-	-	7,914,871	(554,429)	(30,498)	-	(1,493,790)	1,054,494	38,204,582	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	-	-	7,914,871	(554,429)	(30,498)	-	(1,493,790)	1,054,494	38,204,582	33,172,442	-	81,618,386	
IV. Total Comprehensive Income		-	-	-	-	-	(8,621)	-	-	105,796	1,286,070	-	-	9,863,545	11,246,790	
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. Increase/Decrease by Others Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	33,172,442	(33,172,442)	-	-	-
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	33,172,442	(33,172,442)	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV...+X+XI)		3,350,000	714	-	-	7,914,871	(563,050)	(30,498)	-	(1,387,994)	2,340,564	71,377,024	-	9,863,545	92,865,176	

CHANGES IN SHAREHOLDERS' EQUITY	Section 5 Part V	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss			Translation Differences	Other Comprehensive Income/Expense Items Reclassified to Profit or Loss		Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
						Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Income/loss	Other ^(*)		Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Other ^(**)					
Current Period 01.01 - 31.03.2025																
I. Prior Period End Balance		3,350,000	714	-	-	11,300,460	(670,473)	(31,762)	-	(4,231,315)	1,732,322	71,377,024	36,174,341	-	119,001,311	
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	-	-	11,300,460	(670,473)	(31,762)	-	(4,231,315)	1,732,322	71,377,024	36,174,341	-	119,001,311	
IV. Total Comprehensive Income		-	-	-	-	-	225	(15)	-	(3,832,966)	1,569,445	-	-	11,187,871	8,924,560	
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. Increase/Decrease by Others Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	36,174,341	(36,174,341)	-	-	-
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	36,174,341	(36,174,341)	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV...+X+XI)		3,350,000	714	-	-	11,300,460	(670,248)	(31,777)	-	(8,064,281)	3,301,767	107,551,365	-	11,187,871	127,925,871	

(*) 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 items not reclassified to other profit or loss.

(**) Accumulated amount of cash flow hedge Income/loss, equity attributable to equity holders of the Bank for profit or loss from other comprehensive income and other comprehensive income items reclassified to other profit or loss.

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

QNB BANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2025

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

VI. STATEMENT OF CASH FLOWS

	Current Period 01.01 – 31.03.2025	Prior Period 01.01 – 31.03.2024
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	(10,203,434)	9,186,088
1.1.1 Interest Received	88,364,916	45,166,130
1.1.2 Interest Paid	(74,144,004)	(36,759,968)
1.1.3 Dividend Received	1,189	3,778
1.1.4 Fees and Commissions Received	19,260,734	11,960,613
1.1.5 Other Income	144,147	132,113
1.1.6 Collections From Previously Written Off Loans	2,477,666	966,028
1.1.7 Payments To Personnel and Service Suppliers	(5,549,049)	(3,912,577)
1.1.8 Taxes Paid	(1,403,926)	(508,094)
1.1.9 Others	(39,355,107)	(7,861,935)
1.2 Changes in Operating Assets and Liabilities	34,761,032	(23,162,226)
1.2.1 Net (Increase) Decrease in Financial Assets Measured at Fair Value Through Profit/Loss	374,587	(1,364,418)
1.2.2 Net (Increase) Decrease in Due from Banks	(15,148,008)	(28,320,447)
1.2.3 Net (Increase) Decrease in Loans	(58,075,617)	(71,189,301)
1.2.4 Net (Increase) Decrease in Other Assets	1,669,860	(2,636,282)
1.2.5 Net Increase (Decrease) in Bank Deposits	(20,552,022)	726,332
1.2.6 Net Increase (Decrease) in Other Deposits	121,290,698	48,587,246
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	(1,366,772)	(1,072,904)
1.2.9 Net Increase (Decrease) in Matured Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	6,568,306	32,107,548
I. Net Cash Provided From / (Used in) Banking Operations	24,557,598	(13,976,138)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided From / (Used in) Investing Activities	(2,430,070)	(15,274,627)
2.1 Purchase Of Entities Under Common Control. Associates and Subsidiaries	-	-
2.2 Sale of Entities Under Common Control. Associates and Subsidiaries	-	-
2.3 Fixed Assets Purchases	(1,643,923)	(1,068,252)
2.4 Fixed Assets Sales	91,586	94,864
2.5 Purchase of Financial Assets Measured at Fair Value Through Other Comprehensive Income	(54,355,673)	(21,044,453)
2.6 Sale of Financial Assets Measured at Fair Value Through Other Comprehensive Income	49,568,529	3,925,212
2.7 Purchase of Financial Assets Measured at Amortized Cost	(26,339,688)	(1,798,945)
2.8 Sale of Financial Assets Measured at Amortized Cost	30,249,099	4,616,947
2.9 Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided From / (Used in) Financing Activities	47,638,208	25,580,566
3.1 Cash Obtained from Funds Borrowed and Securities Issued	95,229,223	56,468,169
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(47,244,792)	(30,680,420)
3.3 Capital Increase	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(346,223)	(207,268)
3.6 Other	-	85
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	5,528,768	3,175,334
V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	75,294,504	(494,865)
VI. Cash and Cash Equivalents at Beginning of the Period	157,680,038	118,379,765
VII. Cash and Cash Equivalents at End of the Period (V+VI)	232,974,542	117,884,900

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

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2025**

(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 November 1, 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 Accounting Standards 34 ("TAS 34") Interim Financial Reporting Standard and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") for the format and detail of the publicly announced financial statements. This report has been prepared in accordance with the 'Communiqué on the Financial Statements to be Publicly Disclosed by Banks and the Explanations and Notes Related Thereto' and the 'Communiqué on Public Disclosures Regarding Risk Management by Banks', both published in the Official Gazette dated June 28, 2012, and numbered 28337, along with their subsequent amendments and supplements.

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.

2. Accounting policies and valuation principles used in the preparation of the financial statements

The accounting policies and valuation principles followed in the preparation of financial statements have been determined and applied in accordance with the principles outlined in the "BRSA Accounting and Financial Reporting Regulations". It is consistent with the accounting policies applied in the annual unconsolidated financial statements prepared for the year ending December 31, 2024. The accounting policies and valuation principles related with current period are explained in Notes II to XXVI below.

The financial statements are prepared on the historical cost basis except for financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, properties under the tangible assets and subsidiaries 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 ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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 accordance with the Financial Reporting Standard for High Inflation Economies ("TAS 29"), the economies experiencing high inflation are addressed, specifying the threshold value to be used in determining whether high inflation exists in an economy, and providing guidance on how the financial statements of entities whose functional currency is the currency of a high inflation economy should be adjusted for inflation. In the announcement issued by the Public Oversight, Accounting and Auditing Standards Authority dated November 23, 2023, regarding the Inflation Adjustment of Financial Statements of Companies Subject to Independent Audits, authorized institutions or organizations responsible for regulation and supervision in their respective fields were granted the discretion to establish different transition dates for the implementation of inflation accounting. In this context, with the decision of the Banking Regulation and Supervision Agency ("BRSA") dated January 11, 2024, and numbered 10825, the transition date for banks, financial leasing, factoring, financing, savings financing, and asset management companies to adopt TAS 29 has been set as January 1, 2025. Moreover, in the BRSA decision dated December 5, 2024, and numbered 11021, it was decided that inflation accounting would not be applied by banks, financial leasing, factoring, financing, savings financing, and asset management companies in 2025, and no inflation adjustment would be made in the financial statements as of March 31, 2025, in accordance with TAS 29.

The TFRS 17 Insurance Contracts Standard was published by the Public Oversight, Accounting and Auditing Standards Authority in the Official Gazette dated February 16, 2019, and numbered 30688, and with this announcement, the mandatory effective date of the standard was postponed to accounting periods beginning on or after January 1, 2024. Based on POA's letter dated February 15, 2024, and numbered 22667, the effective date of TFRS 17 has been further postponed to January 1, 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 January 1, 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.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 March 31, 2025, 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 ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 December 31, 2024, derivative financial transactions loss amounting to TL 2,093,496 (March 31, 2024 – TL 11,831,216 derivative financial transactions loss) and net foreign exchange income amounting to TL 3,655,263 (March 31, 2024 – TL 5,015,966 net foreign exchange income), excluding net interest expense amounting to TL 8,765,736 (March 31, 2024 – TL 9,806,161 net interest expense) arising from derivative financial transactions, the net profit on foreign currency transactions is TL 3,016,977 (March 31, 2024 – TL 2,990,911 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 April 9, 2015, and numbered 29321 came into effect for the accounting periods after January 1, 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 ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 September 30, 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 March 31, 2025, fair value exchange difference adjustment amounting to TL 1,080,177 (December 31, 2024 – TL 1,087,003) 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 ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 instrument 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.

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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.

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ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Instruments (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.

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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 June 22, 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans” effective from January 1, 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 December 31, 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.

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.

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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.

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ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

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 March 31, 2025. 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 2025, 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 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.

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ACCOUNTING POLICIES (Continued)

VIII. Explanations on Expected Credit Losses (Continued)

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.

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 55,600 (December 31, 2024 – TL 86,331) and it has no effect on the NPL ratio (December 31, 2024 – 0.01%). While the NPL ratio is 2.77% (December 31, 2024 – 2.40%) with the current period non-performing loan figures, the calculated rate including the loans written off during the year is 2.77% (December 31, 2024 – 2.41%).

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.

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ACCOUNTING POLICIES (Continued)

X. Derecognition of Financial Instruments (Continued)

a) Derecognition of financial assets due to change in contractual terms (Continued)

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.

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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 167,822,203 (December 31, 2024 – TL 178,932,556).

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ACCOUNTING POLICIES (Continued)

XI. Explanations on Sales and Repurchase Agreements and Lending of Securities (Continued)

As of March 31, 2025, the Bank has no securities that are subject to lending transactions (December 31, 2024 – 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.

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 March 31, 2025, the Bank has assets held for sale and discontinued operations and it is explained in footnote 1.15. 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.

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ACCOUNTING POLICIES (Continued)

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.

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 January 10, 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 regard 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 is no purchase commitments related to the fixed assets.

QNB BANK ANONİM ŞİRKETİ

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ACCOUNTING POLICIES (Continued)

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.

Set out below are the accounting policies of the Bank upon application of IFRS 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.

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ACCOUNTING POLICIES (Continued)

XV. Explanations on Leasing Transactions (Continued)

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.

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 March 31, 2025 amounted to TL 2,153,650 (December 31, 2024 – TL 2,110,310), lease liability amounted to TL 1,659,029 (December 31, 2024 – TL 1,678,801), financing expense amounted to TL 135,819 (March 31, 2024 - TL 67,643), and depreciation expense amounted to TL 182,075 (March 31, 2024 – TL 132,140).

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.

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ACCOUNTING POLICIES (Continued)

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 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 July 15, 2023, on the Issue of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes that Occurred on February 6, 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 October 1, 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.

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 November 27, 2024, the exemption rate for incomes on the sale of subsidiaries has been reduced to 50%.

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

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

1. Corporate Tax (Continued)

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 October 1, 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 October 26, 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 February 3, 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.

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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 January 20, 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. In addition, pursuant to the General Communiqué on the Tax Procedure Law No. 582, it has been stated that taxpayers within the scope will not apply inflation adjustment during the first, second, and third provisional tax periods of the 2025 fiscal year. Therefore, inflation adjustment will be applied to the financial statements as of December 31, 2025. 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.

The 'Domestic Minimum Corporate Tax' application was introduced by Law No. 7524, published in the Official Gazette dated August 2, 2024, and will apply to the profits earned in the 2025 fiscal year and subsequent taxation periods. With the addition of Article 32/C titled 'Domestic Minimum Corporate Tax' to the Corporate Tax Law, it has been stipulated that the corporate tax calculated in accordance with the provisions of Articles 32 and 32/A of the Law cannot be less than 10% of the corporate income before deductions and exemptions. The domestic minimum corporate tax will also apply to the provisional tax periods.

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 October 1, 2023, and will also be applied to the profits earned in 2023 and subsequent taxation periods. As of March 31, 2025, 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.

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ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

3. 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 August 2, 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.

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 November 18, 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 2025 (December 31, 2024 – 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.

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ACCOUNTING POLICIES (Continued)

XXII. Explanations on Government Incentives

As of March 31, 2025, the Bank does not have any government incentives or supports (December 31, 2024 – 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.

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	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Operating income	20,291,464	9,510,924	4,561,466	34,363,854
Dividend Income	-	-	1,189	1,189
Income/(Loss) on joint venture accounted for at equity method	-	-	2,409,292	2,409,292
Profit Before Taxes	9,028,345	4,695,781	1,043,327	14,767,453
Provision For Taxes (-)	-	-	3,579,582	3,579,582
Net Profit/Loss	9,028,345	4,695,781	(2,536,255)	11,187,871
Total Assets	467,803,553	484,624,637	647,937,037	1,701,977,705
Segment Assets	467,803,553	484,624,637	647,937,037	1,600,365,227
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	19,544,676
Undistributed Assets	-	-	-	82,067,802
Total Liabilities	669,926,234	287,214,374	508,010,456	1,701,977,705
Segment Liabilities	669,926,234	287,214,374	508,010,456	1,465,151,064
Undistributed Liabilities	-	-	-	108,900,770
Equity	-	-	-	127,925,871

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ACCOUNTING POLICIES (Continued)

XXIII. Explanations on Segment Reporting (Continued)

Prior Period (*)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Operating income	13,614,170	7,197,134	(1,817,301)	18,994,003
Dividend Income	-	-	3,778	3,778
Income/(Loss) on joint venture accounted for at equity method	-	-	1,161,757	1,161,757
Profit Before Taxes	7,193,176	7,372,935	(4,455,911)	10,110,200
Provision For Taxes (-)	-	-	246,655	246,655
Net Profit/Loss	7,193,176	7,372,935	(4,702,566)	9,863,545
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

(*) The items in the income statement reflect the balances as of March 31, 2024.

XXIV. Explanations on Profit Reserves and Profit Distribution

The General Assembly Meeting of the Bank was held on March 27, 2025. In the Board of Directors meeting, it was decided that profit from 2024 operations to be distributed as follows.

2024 profit distribution table

Current Year Profit	36,174,341
A- Real Estate Sales Profit Fund (Corporate Tax Law 5.1/E) 5%	27,324
C- Extraordinary Reserves	36,147,017

The general legal reserve fund, which is required to be set aside as five percent of the annual profit in accordance with paragraph 1 of Article 519 of the Turkish Commercial Code, has not been set aside since it has reached twenty percent of the paid-in capital.

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	11,187,871	9,863,545
Weighted Average Amount of Shares Issued (Thousands)	33,500,000	33,500,000
Earnings Per Share	0.3340	0.2944

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.

As of March 31, 2025, there are no bonus shares issued (December 31, 2024- None).

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ACCOUNTING POLICIES (Continued)

XXIV. Explanations on Other Matters

As stated in the PDP disclosure dated November 25, 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 August 5, 2023, and the establishment permit for Enpara Bank A.Ş. was obtained and the establishment of Enpara Bank A.Ş. was registered on December 4, 2023.

The application for obtaining an operating permit as required by the legislation was made on December 5, 2023. The Bank obtained the operational permit with the official gazette published by the Board on August 23, 2024, and started its operations on December 30, 2024, with the notification made to the BRSA. In order to transfer the Enpara.com banking services within the bank to Enpara Bank A.Ş. through a partial demerger, following the application made to the Banking Regulation and Supervision Agency (BRSA), permission was granted on February 11, 2025, to proceed with the necessary procedures under the relevant legislation regarding the partial demerger. During the General Assembly meeting held on March 17, 2025, the Bank's Board of Directors was authorized to prepare and sign the Demerger Agreement and to carry out the necessary procedures in accordance with the relevant legislation. Following this authorization, the application process to the BRSA, the Capital Markets Board (CMB), and other relevant institutions for the execution of the partial demerger is ongoing.

As of March 31, 2025, Enpara's banking activities to be separated represent 10.8% 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 March 31, 2025, the Bank's capital adequacy ratio would have increased by 135 basis points to 16.65%. If such a separation had occurred on December 31, 2024, the Bank's profit before tax for the first three months of 2025 would be 17.0% lower.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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 March 31, 2025, Bank’s total capital has been calculated as TL 165,501,065 (December 31, 2024 – TL 158,376,693), capital adequacy ratio is 15.30% (December 31, 2024 – 17.35%).

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 October 23, 2015, as stated in the Board Decision dated January 31, 2023 and numbered 10496 and the decision dated April 28, 2022, and numbered 9996; 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 June 26, 2023 has been decided to continue using the CBRT's foreign exchange buying rate as of June 28, 2024 as of January 1, 2025, until a BRSA Decision to the contrary is taken.

In accordance with the BRSA Decision No. 10747 dated December 12, 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 January 1, 2024, to be calculated in accordance with the Regulation on Equity of Banks published in the Official Gazette dated September 5, 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.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Equity (Continued)

Explanations on Equity	Current Period March 31, 2025	Prior Period December 31, 2024
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	107,551,365	71,377,024
Income recognized in equity as per TAS	11,889,044	12,713,686
Profit	11,187,871	36,174,341
Current Period Profit	11,187,871	36,174,341
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	1,602	1,617
Common Equity Tier 1 Capital Before Deductions	133,980,596	123,617,382
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	4,469,873	1,346,672
Improvement costs for operating leasing	539,503	509,197
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	6,195,286	5,546,358
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	-	-
Income arising from securitization transactions	-	-
Unrealized income and loss 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	11,204,662	7,402,227
Total Common Equity Tier 1 Capital	122,775,934	116,215,156

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Explanations on Equity (Continued)

	Current Period March 31, 2025	Prior Period December 31, 2024
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	19,826,940	18,522,158
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	19,826,940	18,522,158
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	19,826,940	18,522,158
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	142,602,874	134,737,314
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA	-	-
Debt instruments and premiums deemed suitable by BRSA (Temporary Article 4)	11,329,680	13,582,916
Provisions (Article 8 of the Regulation on the Equity of Banks)	11,826,888	10,320,763
Tier II Capital Before Deductions	23,156,568	23,903,679
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 Tier II Capital	-	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	23,156,568	23,903,679
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	38,710	50,295
Other items to be defined by the BRSA (-)	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	219,667	214,005
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	-	-

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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 March 31, 2025	Prior Period December 31, 2024
TOTAL CAPITAL		
Total Capital	165,501,065	158,376,693
Total Risk Weighted Amounts	1,081,605,896	912,944,388
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	11.35	12.73
Tier I Capital Adequacy Ratio (%)	13.18	14.76
Capital Adequacy Ratio (%)	15.30	17.35
BUFFERS		
Bank specific total common equity tier I capital ratio (%)	2.51	2.51
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	0.01	0.01
c) Systemically important bank buffer ratio (%) ^(*)	0.00	0.00
The ratio of Additional Common Equity Tier I 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 (%)	5.35	6.73
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)	22,254,352	23,217,774
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	11,826,888	10,320,763
Excess amount of total provision amounts to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amounts 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. 2023)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	19,826,940	18,522,158
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	11,329,680	13,582,916
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

^(*)The systemically important bank buffer ratio is required to be filled by systemically important banks that are not subject to the obligation of preparing consolidated financial statements under the fourth paragraph of Article 4 of the 'Regulation on Systemically Important Banks'. Therefore, it is shown as 0.00% in the unconsolidated financial report.

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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
Issuer	QATAR NATIONAL BANK Q.P.S.C.	QNB BANK A.S.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	ISIN: XS2678233243 Common Code: 267823324
Governing law(s) of the instrument	BRSA	It is subject to English Law and, with respect to certain articles, to Turkish regulations (CMB-BRSA).
Regulatory treatment	Additional Capital	Supplementary Capital
Since 1.1.2015 10% reduction by being subject to the application	No	No
Eligible at stand-alone/consolidated	Stand-alone - Consolidated	Stand-alone - Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Subordinated debt instrument (Bond)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	20,396	11,786
Par value of instrument (Currency in million)	20,396	11,786
Accounting classification	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost
Original date of issuance	Jun 30, 2019	Nov 15, 2023
Perpetual or dated	Undated	Dated
Original maturity date	-	10 years
Issuer call subject to prior BRSA approval	Yes	Yes
Optional call date, contingent call dates and redemption amount	Every 5 years	5 years
Subsequent call dates, if applicable	-	-
Coupons/dividends	-	-
Fixed or floating dividend/coupon	Fixed	Fixed
Coupon rate and any related index	First 5 years fixed at 9.50%, next 5 years fixed at SOFR + 7.36%	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	-

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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
Existence of set-up or another incentive to redeem	Noncumulative	Noncumulative
Convertible or non-convertible	None	None
If convertible, conversion trigger(s)	-	-
If convertible, fully or partially	-	-
If convertible, conversion rate	-	-
If convertible, mandatory or optional conversion	-	-
If convertible, specify instrument type convertible into	-	-
If convertible, specify issuer of instrument it converts into	-	-
Write-down feature	Yes	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
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.
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.

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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	127,925,871	119,001,311
Hedge funds	(3,230,190)	(1,865,452)
Discounts made within the scope of the regulation	(6,734,793)	(6,055,557)
Accumulated revaluation and/or reclassification incomes/losses on financial assets at fair value through other comprehensive income	4,815,046	5,134,854
Core Capital	122,775,934	116,215,156
Additional capital	19,826,940	18,522,158
Capital	142,602,874	134,737,314
Expected loss allowance (Stages 1 and 2)	11,826,888	10,320,763
Debt instruments deemed appropriate by the institution	11,329,680	13,582,916
Discounts made within the scope of the regulation	(258,377)	(264,300)
Total Equity	165,501,065	158,376,693

II. Explanations on Risk Management

In accordance with the 'Communiqué on Public Disclosures Regarding Risk Management by Banks,' published in the Official Gazette No. 29511 on October 23, 2015, and effective as of March 31, 2016, the notes and relevant disclosures prepared pursuant to this communiqué are provided in this section. According to the relevant communiqué, the following tables, which need to be provided on a quarterly basis, have not been presented as of March 31, 2025, due to the Bank utilizing the standard approach in its capital adequacy calculation:

- Credit risk amounts based on portfolio and TO range
- The impact of credit derivatives used as the KRA technique on RAV
- IRB (Specialized loans and equity investments subject to the simple risk weight approach)
- Internal model approach for trading accounts
- Comparison of RmD estimates with profit/loss

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on Risk Management (Continued)

1. 1. GB1 – Overview of Risk Weighted Assets

	Risk Weighted Amount		Minimum Capital Requirement	
	31.03.2025	31.12.2024	31.03.2025	31.12.2024
1 Credit Risk (excluding counterparty Credit Risk)	931,166,571	811,934,405	74,493,326	64,954,752
2 Standardized approach	931,166,571	811,934,405	74,493,326	64,954,752
3 Internal rating-based approach	-	-	-	-
4 Counterparty credit risk	14,984,465	13,726,603	1,198,757	1,098,128
5 Standardized approach for counterparty credit Risk	14,984,465	13,726,603	1,198,757	1,098,128
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	16,604,338	13,237,775	1,328,347	1,059,022
17 Standardized approach	16,604,338	13,237,775	1,328,347	1,059,022
18 Internal model approaches	-	-	-	-
19 Operational Risk	118,850,522	74,045,605	9,508,042	5,923,649
20 Basic Indicator Approach	118,850,522	74,045,605	9,508,042	5,923,649
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)	1,081,605,896	912,944,388	86,528,472	73,035,551

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

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. Measurements made under the standard method are performed on a monthly basis and serve as the basis for determining the capital requirements arising from currency risk. 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.

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	TL 37.7656
Euro purchase rate at the date of the balance sheet	TL 40.7019

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
March 28, 2025	37.7656	40.7019
March 27, 2025	37.9323	40.8740
March 26, 2025	37.9287	40.9326
March 25, 2025	37.9086	40.9489
March 24, 2025	37.8600	41.0400

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 March 2025 are TL 37.0400 and TL 40.0212 respectively.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on Foreign Currency Exchange Rate Risk (Continued)

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 Central Bank of Türkiye ⁽¹⁾	54,145,326	90,405,460	12,487,738	157,038,524
Due From Banks ⁽²⁾	17,987,275	19,132,167	2,098,168	39,217,610
Financial Assets at Fair Value through Profit/Loss ⁽³⁾	2,052,110	3,902,007	7,980	5,962,097
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	19,366	24,614,984	-	24,634,350
Loans and Receivables ⁽⁴⁾	158,415,990	154,371,253	65,520	312,852,763
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost	2,119,395	32,981,855	-	35,101,250
Derivative Financial Assets Hedging Purposes	207,356	2,666,119	-	2,873,475
Tangible Assets	-	-	682	682
Intangible Assets	-	-	-	-
Other Assets ⁽⁵⁾	171,499	298,740	5,166	475,405
Total Assets	235,118,317	328,372,585	14,665,254	578,156,166
Liabilities				
Bank Deposits	4,197,728	26,211,379	678,777	31,087,884
Foreign Currency Deposits ⁽⁶⁾	68,333,169	124,004,825	87,714,330	280,052,324
Money Market Borrowings	-	50,886,710	-	50,886,710
Funds Provided from Other Financial Institutions	35,586,167	175,994,877	-	211,581,044
Securities Issued	10,467,853	74,126,311	12,272,589	96,866,753
Sundry Creditors	8,923,480	5,984,668	101,922	15,010,070
Derivative Fin. Liabilities for Hedging Purposes	122,382	782,217	-	904,599
Other Liabilities ⁽⁷⁾	2,754,885	5,595,107	42,700	8,392,692
Total Liabilities	130,385,664	463,586,094	100,810,318	694,782,076
Net Balance Sheet Position	104,732,653	(135,213,509)	(86,145,064)	(116,625,920)
Net Off-Balance Sheet Position	(101,371,720)	135,292,234	88,741,505	122,662,019
Financial Derivative Assets	125,095,215	471,208,142	91,140,255	687,443,612
Financial Derivative Liabilities	226,466,935	335,915,908	2,398,750	564,781,593
Non-Cash Loans ⁽⁸⁾	47,311,472	37,885,627	3,065,648	88,262,747
Prior Period				
Total Assets	163,346,148	291,892,236	10,840,675	466,079,059
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	37,862,383	32,781,475	2,763,458	73,407,316

⁽¹⁾ Cash and Balances with TR Central Bank; Other FC include TL 11,134,727 (December 31, 2024 – TL 8,841,832) precious metal deposit account.

⁽²⁾ There are foreign bank guarantees amounting to TL 2,912,676 (December 31, 2024 – TL 5,198,458).

⁽³⁾ Does not include TL 2,918,577 (December 31, 2024 – TL 1,151,109) of currency income accruals arising from derivative transactions.

⁽⁴⁾ Includes TL 104,563 (December 31, 2024 – TL 102,945) FC indexed loans.

⁽⁵⁾ Does not include FC prepaid expenses amounting to TL 1,858,125 (December 31, 2024 – TL 1,676,945) as per BRSA's Communique published in Official Gazette no 26085 on February 19, 2006.

⁽⁶⁾ Other foreign currency includes TL 75,367,322 (December 31, 2024 – TL 59,806,204) of precious metal deposit account.

⁽⁷⁾ Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 1,473,514 (December 31, 2024 – TL 2,397,734).

⁽⁸⁾ Does not have an effect on Net Off-Balance Sheet Position.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

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.

Interest rate sensitivity of assets, liabilities and off-balance sheet items

(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 Central Bank of Türkiye ⁽²⁾	83,298,887	-	-	-	-	236,810,161	320,109,048
Due from Banks ⁽³⁾	11,402,246	-	-	-	-	27,841,110	39,243,356
Financial Assets at Fair Value Through Profit/Loss ⁽⁴⁾	2,999,812	2,284,539	1,934,839	1,798,606	706,335	16,719,164	26,443,295
Money Market Placements	1,604	-	-	-	-	-	1,604
Financial Assets at Fair Value Through Other Comprehensive Income ⁽⁵⁾	38,645,595	35,000,071	12,550,210	36,401,584	25,784,136	3,282,945	151,664,541
Loans and Receivables	319,057,020	109,034,386	332,570,686	169,070,060	17,395,865	5,300,173	952,428,190
Inv. Securities Held to Maturity ⁽⁶⁾	74,456,104	665,682	3,814,380	30,427,054	16,989,025	5,107,401	131,459,646
Other Assets	-	-	-	-	-	80,628,025	80,628,025
Total Assets	529,861,268	146,984,678	350,870,115	237,697,304	60,875,361	375,688,979	1,701,977,705
Liabilities							
Bank Deposits	23,468,427	12,239,958	3,029,760	-	-	1,022,124	39,760,269
Other Deposits	490,538,737	98,609,840	21,136,545	2,390,962	1,188	344,463,336	957,140,608
Money Market Borrowings	109,613,209	7,270,096	23,913,935	866,947	-	1,395,038	143,059,225
Sundry Creditors	15,010,070	-	-	-	-	55,034,360	70,044,430
Securities Issued	2,143,678	12,216,604	44,867,007	34,447,751	11,786,061	-	105,461,101
Funds Borrowed	39,065,435	80,636,543	84,937,008	4,093,620	-	3,662,573	212,395,179
Other Liabilities ⁽⁷⁾	55	2,246	52,795	1,604,351	-	172,457,446	174,116,893
Total Liabilities	679,839,611	210,975,287	177,937,050	43,403,631	11,787,249	578,034,877	1,701,977,705
On Balance Sheet Long Position	-	-	172,933,065	194,293,673	49,088,112	-	416,314,850
On Balance Sheet Short Position	(149,978,343)	(63,990,609)	-	-	-	(202,345,898)	(416,314,850)
Off-Balance Sheet Long Position	35,490,129	21,096,692	23,817,049	-	-	-	80,403,870
Off-Balance Sheet Short Position	-	-	-	(58,686,040)	(11,537,485)	-	(70,223,525)
Total Position	(114,488,214)	(42,893,917)	196,750,114	135,607,633	37,550,627	(202,345,898)	10,180,345

(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 Central Bank of Türkiye include amount of TL 33,986 expected loss provisions.

(3) Banks include balance of expected loss provisions amounting to TL 5,835.

(4) Financial Assets at Fair Value Through Profit/Loss include TL 14,612,310 derivative financial assets used for hedging purposes

(5) Financial Assets at Fair Value Through Other Comprehensive Income include TL 6,822,939 derivative financial assets used for hedging purposes

(6) Financial Assets measured at amortized cost includes the balance of the expected loss provisions amounting to TL 17,749.

(7) Other Liabilities includes Derivative Financial Assets amounting to TL 7,334,682.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

IV. Explanations on Interest Rate Risk (Continued)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽¹⁾	Total
End of Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Türkiye ⁽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 Central Bank of Türkiye 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 markets placements include amount of TL 27 expected loss provisions.

⁽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.

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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 Central Bank	1.39	-	-	29.13
Due from Banks	1.76	3.09	-	44.28
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	3.04	6.20	-	47.27
Money Market Placements	-	-	-	48.00
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	3.14	6.37	-	41.73
Loans and Receivables	6.17	7.15	2.45	49.23
Financial Assets Measured at Amortized Cost	4.77	6.14	-	23.29
Liabilities				
Bank Deposits	3.18	4.93	-	38.76
Other Deposits	0.59	0.93	1.01	40.92
Money Market Borrowings	-	5.09	-	45.92
Sundry Creditors	2.54	4.23	-	-
Securities Issued	4.12	6.85	-	42.22
Funds Borrowed	3.68	6.62	-	39.85
	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 Central Bank of Türkiye	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	-	-	-	48.83
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

(*) All reserve requirement balances have been taken into account in the calculation of the average interest rate.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

V. Explanations on Position Risk of Equity Securities Stemming From Banking Accounts

Equity Securities (shares)	Comparison		
	Carrying Value	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	5,111,995	5,111,995	-
Quoted Securities	5,111,995	5,111,995	-
4. Investment in Shares- grade Other (*)	14,432,681	14,432,681	-

(*) Includes associates and subsidiaries not quoted to ISE and not classified as investment in shares by Capital Market Board (CMB).

Portfolio	Income/Loss in Current Period	Revaluation Surpluses		Unrealized Income and Loss	
		Total	Amount under Core Capital	Total	Amount under Core Capital
1. Private Equity Investments	-	-	-	-	-
2. Quoted Shares	150,743	-	-	-	-
3. Other Shares	-	-	-	-	-
4. Total	150,743	-	-	-	-

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 (LCR) 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.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)**

VI. Explanations on Remarks regarding Liquidity Risk Management and Liquidity Coverage Ratio

It is essential for the Bank to monitor its liquidity position and funding strategy consistently. The primary priority is to ensure that the liquidity risk to which the Bank is exposed is in line with the risk capacity determined within the framework of the limits stipulated by the legislation and the risk appetite that emerges depending on the Bank's basic strategies. It is essential that the Bank maintains a sufficient level of free liquid assets that can be sold or repurchased in case of a significant decrease in liquidity resources.

The bank's funding management is conducted in compliance with ALCO decisions within legal limits and internal alert levels. The liquidity position is evaluated taking into account maturity and customer concentration levels, and a funding strategy is developed. When developing this strategy, the aim is to obtain funding from sources that are as long-term and stable as possible. Deposits, which constitute the bank's main source of funding, are obtained from a large number of customers as a natural consequence of a 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.

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.

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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

Current Period – March 31, 2025	Consideration Rate Unweighted Amounts ^(*)		Consideration Rate Weighted Amounts ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			345.242.662	132.293.464
1 High Quality Liquid Assets			345.242.662	132.293.464
CASH OUTFLOWS				
2 Retail and Small Business Customers Deposits	637,592,647	179,079,122	55,708,112	17,907,912
3 Stable deposits	161,023,049	-	8,051,152	-
4 Less stable deposits	476,569,598	179,079,122	47,656,960	17,907,912
Unsecured Funding other than Retail and Small Business				
5 Customers Deposits	334,057,616	114,311,762	207,111,249	78,325,376
6 Operational deposits	10,045,196	2,251,613	2,511,299	562,903
7 Non-Operational Deposits	245,167,998	91,535,353	139,535,065	57,585,452
8 Other Unsecured Funding	78,844,422	20,524,796	65,064,885	20,177,021
9 Secured funding	-	-	-	-
10 Other Cash Outflows	104,962,559	51,996,549	104,962,559	51,996,549
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	104,962,559	51,996,549	104,962,559	51,996,549
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	104,913,024	145,249	5,245,651	7,262
15 Other irrevocable or conditionally revocable commitments	1,147,328,363	84,544,243	68,923,490	8,436,245
16 TOTAL CASH OUTFLOWS			441,951,061	156,673,344
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	141,151,244	47,386,417	82,643,963	35,588,195
19 Other Cash Inflows	102,265,856	70,826,523	102,265,856	70,826,523
20 TOTAL CASH INFLOWS	243,417,100	118,212,940	184,909,819	106,414,718
			Upper Limit Applied Values	
21 TOTAL HIGH QUALITY LIQUID ASSETS			345,242,662	132,293,464
22 TOTAL NET CASH OUTFLOWS			257,041,242	50,632,084
23 LIQUIDITY COVERAGE RATIO (%)			134.31	261.28

(*) Basic arithmetic average calculated for the last three months of values calculated by taking the weekly basic arithmetic average.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Remarks regarding Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Liquidity Coverage Ratio (Continued)

Prior Period – December 31, 2024	Consideration Rate Unweighted Amounts ^(*)		Consideration Rate Weighted Amounts ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			291,264,218	127,118,382
1 High Quality Liquid Assets			291,264,218	127,118,382
CASH OUTFLOWS				
2 Retail and Small Business Customers Deposits	594,220,300	169,534,895	52,507,106	16,953,489
3 Stable deposits	138,298,480	-	6,914,924	-
4 Less stable deposits	455,921,820	169,534,895	45,592,182	16,953,489
5 Unsecured Funding other than Retail and Small Business Customers Deposits	276,555,315	110,907,037	173,513,877	76,807,983
6 Operational deposits	8,044,161	1,368,525	2,011,040	342,131
7 Non-Operational Deposits	201,650,904	87,111,494	116,110,772	54,447,049
8 Other Unsecured Funding	66,860,250	22,427,018	55,392,065	22,018,803
9 Secured funding	-	-	-	-
10 Other Cash Outflows	64,886,042	28,246,630	64,886,042	28,246,630
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	64,886,042	28,246,630	64,886,042	28,246,630
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	105,240,644	-	5,262,032	-
15 Other irrevocable or conditionally revocable commitments	994,351,693	76,389,492	60,122,015	7,642,488
16 TOTAL CASH OUTFLOWS	-	-	356,291,072	129,650,590
CASH INFLOWS				
17 Secured Lending Transactions	44	-	-	-
18 Unsecured Lending Transactions	121,755,196	38,962,011	69,524,029	27,844,200
19 Other Cash Inflows	63,047,104	44,405,485	63,047,104	44,405,485
20 TOTAL CASH INFLOWS	184,802,344	83,367,496	132,571,133	72,249,685
21 TOTAL HIGH QUALITY LIQUID ASSETS			291,264,218	127,118,382
22 TOTAL NET CASH OUTFLOWS			223,719,939	57,432,398
23 LIQUIDITY COVERAGE RATIO (%)			130.19	221.34

^(*) Basic arithmetic average calculated for the last three months of values calculated by taking the weekly basic arithmetic average.

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the first three months of 2025 are explained in the table below. According to “Regulation on Liquidity Coverage Ratio Calculation” published in the Official Gazette numbered 28948. dated March 21, 2014.

	Maximum	Week	Minimum	Week	Average
TL+FC	157.72	28.03.2025	123.65	24.01.2025	134.80
FC	405.59	28.03.2025	186.95	21.02.2025	279.18

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.

Almost all of 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. Optional use of reserve levels and fluctuations in repo amount lead up to periodical variations in liquidity coverage ratio. Changes in the amount of repos cause periodic fluctuations in the 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 59% of total liabilities of the Bank (December 31, 2024 – 58%) and also include repo, syndication, securitization, securities issued and other instruments including subordinated debts.

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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 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.

Secured funding consists of 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.

All cash inflow and outflow items related to liquidity profile of the Bank are included in liquidity coverage ratio tables above.

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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⁾	236,844,147	83,298,887	-	-	-	-	(33,986)	320,109,048
Due from Banks ⁽⁴⁾	27,846,945	11,402,246	-	-	-	-	(5,835)	39,243,356
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL) ⁽⁵⁾	1,929,766	3,088,371	1,874,445	5,320,987	11,539,817	2,689,909	-	26,443,295
Money Markets Placements ⁽⁶⁾	-	1,604	-	-	-	-	-	1,604
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI) ⁽⁷⁾	18,952	1,063,711	60,648	8,523,148	82,420,458	59,577,624	-	151,664,541
Loans and Receivables	-	342,093,286	110,323,479	328,529,915	158,913,248	27,350,509	(14,782,247)	952,428,190
Financial Assets Measured at Amortized Cost ⁽⁸⁾	-	630,780	7,429,132	20,494,103	50,833,829	52,089,551	(17,749)	131,459,646
Other Assets	-	30,099,449	-	-	1,722,230	-	48,806,346	80,628,025
Total Assets	266,639,810	471,678,334	119,687,704	362,868,153	305,429,582	141,707,593	33,966,529	1,701,977,705
Liabilities								
Bank Deposits	537,419	23,749,735	12,398,542	3,074,573	-	-	-	39,760,269
Other Deposits	330,088,177	500,115,114	101,479,357	22,729,818	2,726,848	1,294	-	957,140,608
Funds Borrowed	-	11,420,666	50,291,121	84,302,212	66,381,180	-	-	212,395,179
Money Market Borrowings	-	106,133,955	6,641,566	23,820,242	6,463,462	-	-	143,059,225
Securities Issued	-	2,143,678	12,216,604	39,375,002	39,939,755	11,786,062	-	105,461,101
Miscellaneous Payables	-	70,044,430	-	-	-	-	-	70,044,430
Other Liabilities ⁽⁹⁾	-	23,398,795	722,608	2,033,618	4,289,736	579,130	143,093,006	174,116,893
Total Liabilities	330,625,596	737,006,373	183,749,798	175,335,465	119,800,981	12,366,486	143,093,006	1,701,977,705
Liquidity Excess/(Gap)	(63,985,786)	(265,328,039)	(64,062,094)	187,532,688	185,628,601	129,341,107	(109,126,477)	-
Net Off-Balance Sheet Position ⁽¹⁰⁾								
Receivables from Financial Derivative Instruments	-	248,958,929	109,293,678	165,151,708	246,225,719	48,146,644	-	817,776,678
Liabilities from Derivatives	-	247,499,052	109,311,545	169,234,462	238,824,905	48,146,644	-	813,016,608
Non-cash Loans ⁽¹¹⁾	-	11,828,744	16,956,164	74,070,100	21,617,488	1,428,777	45,330,027	171,231,300
Prior period								
Total Assets	192,445,316	419,239,227	130,354,036	304,658,328	294,464,124	136,130,743	34,577,994	1,511,869,768
Total Liabilities	278,113,135	628,512,792	211,579,910	160,055,188	86,293,358	14,349,605	132,965,780	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 ⁽¹⁰⁾								
Receivables from Derivative Instruments	-	157,536,759	94,228,392	102,368,223	208,316,714	57,983,684	-	620,433,772
Liabilities from Derivative Instruments	-	159,355,915	96,885,176	104,383,523	203,779,512	57,983,684	-	622,387,810
Non-cash Loans ⁽¹¹⁾	-	6,510,328	19,105,709	56,435,056	19,256,355	2,107,581	38,920,768	142,335,797

⁽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 127,925,871 (December 31, 2024 – TL 119,001,311), unallocated provisions amounting to TL 3,260,052 (December 31, 2024 – TL 3,194,270).

⁽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 33,986 (December 31, 2024 – TL 26,672).

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 5,835 (December 31, 2024 – TL 8,123).

⁽⁴⁾ Financial Assets at Fair Value Through Profit/Loss include TL 14,612,310 (December 31, 2024 – TL 7,579,072) derivative financial assets used for hedging purposes.

⁽⁵⁾ There are no expected credit losses for the current period on receivables from money markets. (December 31, 2024 – TL 27).

⁽⁶⁾ Financial Assets at Fair Value Through Other Comprehensive Income include TL 6,822,939 (December 31, 2024 – TL 3,364,254) derivative financial assets used for hedging purposes.

⁽⁷⁾ Financial assets measured at amortized cost include TL 17,749 (December 31, 2024 – TL 17,707) of expected loss provisions.

⁽⁸⁾ Other Liabilities include Derivative Financial Assets amounting to TL 7,334,682 (December 31, 2024 – TL 11,348,806).

⁽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.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

The Bank's Net Stable Funding Ratio is monitored and managed in accordance with the Liquidity Risk Management Policy. In line with this policy, the Board of Directors is responsible for reviewing and approving the Bank's risk profile and appetite at certain intervals. Senior Management takes the necessary measures to monitor this risk and controls liquidity risk in line with the approved strategies and policies.

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 January 1, 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 May 26, 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.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Current Period	Unweighted Amount According to Residual Maturity				Total Weighted Amount Applied	
	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		
Available Stable Funding						
1	Capital Instruments	180,089,559	-	-	-	180,089,559
2	Tier 1 and Tier 2 Capital	180,089,559	-	-	-	180,089,559
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	240,452,404	462,483,560	6,081,148	2,801,344	650,396,439
5	Stable Deposit/Participation Fund	22,833,218	168,942,811	2,321,840	1,098,725	185,436,764
6	Low Stable Deposit/Participation Fund	217,619,186	293,540,749	3,759,308	1,702,619	464,959,675
7	Obligations to Other Parties	11,130,205	374,058,991	333,587,386	90,400,793	262,759,589
8	Operational Deposit/Participation Fund	11,130,205	-	-	-	5,565,102
9	Other Obligations	-	374,058,991	333,587,386	90,400,793	257,194,487
10	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11	Other Liabilities	-	5,420,582	-	67,865,080	-
12	Derivative Liabilities	-	-	5,420,582	-	-
13	All other equity not included in the above categories	-	-	-	67,865,080	-
14	Available Stable Funding					1,093,245,587
Required Stable Funding						
15	High Quality Liquid Assets	-	-	-	-	10,568,012
16	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	-	-	-	-	-
17	Performing Loans	-	487,805,403	130,712,278	426,166,594	655,044,956
18	Encumbered Loans to Financial Institutions, Where the Loan is Secured Against Level 1 Assets	-	51,865,516	-	10,284,380	18,064,208
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	35,259,991	6,697,051	24,327,046
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	435,939,887	95,452,287	404,138,598	609,213,895
21	Loans with a risk weight of less than or equal to 35%	-	-	-	-	-
22	Residential mortgages	-	-	-	4,248,870	2,761,766
23	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	4,248,870	2,761,766
24	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	-	-	-	797,695	678,041
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	96,621,415	-	-	-	107,390,593
27	Physical traded commodities, including gold	637,959	-	-	-	542,265
28	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty	-	-	115,675	-	98,324
29	Derivative Assets	-	-	9,914,505	-	9,914,505
30	Derivative Liabilities Before Deduction of Variation Margin	-	-	852,043	-	852,043
31	Other Assets not Included Above	95,983,456	-	-	-	95,983,456
32	Off-balance sheet commitments	-	-	1,340,755,042	-	67,037,752
33	Required Stable Funding					840,041,313
34	Net Stable Funding Rate (%)					130.14

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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	Unweighted Amount According to Residual Maturity				Total Weighted Amount Applied	
	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		
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	<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
22	Residential mortgages	-	-	-	3,500,662	2,275,430
23	<i>Residential mortgages with a risk weight of less than or equal to 35%</i>	-	-	-	3,500,662	2,275,430
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

Net stable funding ratio for the last three months including the reporting period was 122.87% (December 31, 2024: 119.38%)

The Bank's Net Stable Funding Ratio (NSFR) declined from 118.62% to 130.14% on a solo basis between December 2024 and March 2025 but remained 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 increased due to the issuance of long-term borrowing instruments and the improvement in the loan-to-deposit ratio.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VII. Explanations on Leverage Ratio

Information in regard 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 4.81% (December 31, 2024 – 5.17%). 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 November 5, 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)	1,625,235,683	1,447,024,117
Assets deducted from capital stock	6,511,306	5,664,904
Total risk amount related to Assets on Balance sheet	1,618,724,377	1,441,359,213
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	16,666,484	13,966,320
Potential credit risk amount of derivative financial instruments and credit derivatives	4,270,710	431,044
Total risk amount related to derivative financial instruments and credit derivatives	20,937,194	14,397,364
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	-
Risk amount sourcing from transactions mediated	78,454	13,709
Total risk amount related to financial transactions having security or commodity Collateral	78,454	13,709
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	1,399,465,446	1,167,151,262
(Adjustment amount sourcing from multiplying to credit conversion rates)	88,685,082	94,885,947
Total risk amount related to off-balance sheet transactions	1,310,780,364	1,072,265,315
Capital and Total Risk		
Core Capital	141,937,335	130,650,569
Amount of total risk	2,950,520,389	2,528,035,601
Financial leverage ratio		
Financial leverage ratio	4.81%	5.17%

(*) Amounts stated in table shows the related three months averages of related period.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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	3,949,813	14,867,015	2,960,303	10,282,554
Central Bank of Türkiye	157,727,687	141,430,894	139,828,034	98,982,305
Other	1,427,010	740,615	731,579	316,010
Total	163,104,510	157,038,524	143,519,916	109,580,869

b) Balances with the Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	104,340,940	68,660,827	91,848,194	36,758,372
Restricted Time Deposits	500,000	-	-	-
Restricted Time Deposits	52,886,747	72,770,067	47,979,840	62,223,933
Total	157,727,687	141,430,894	139,828,034	98,982,305

As of March 31, 2025 amount of TL 33,986 (December 31, 2024 – TL 26,672) provision provided for the account Central Bank of Türkiye.

As of March 31, 2025, 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	1,531,002	11,392	412,983	19,352
Swap Transactions	1,453,294	4,778,261	833,727	3,216,184
Futures Transactions	-	-	-	-
Options	11,458	1,012,788	911	503,741
Other	-	-	-	-
Total	2,995,754	5,802,441	1,247,621	3,739,277

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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	6,724	505,362	9,785	386,592
Foreign	-	38,737,105	-	14,929,491
Foreign Head Offices and Branches	-	-	-	-
Total	6,724	39,242,467	9,785	15,316,083

As of March 31, 2025 amount of TL 5,835 provision provided for the Bank account (December 31, 2024 – TL 8,123).

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	20,475,113	1,864,128	710,476	1,672,474
USA and Canada	13,056,005	6,407,808	-	-
OECD Countries (*)	1,458,344	861,997	2,075,435	3,431,713
Off-shore Banking Regions	-	-	-	-
Other	834,967	597,100	126,765	94,271
Total	35,824,429	9,731,033	2,912,676	5,198,458

(*) 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

None. (December 31, 2024–None).

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	9,707,482	-	14,919,937	-
Subject to repurchase agreements	60,483,059	16,660,282	68,863,943	20,128,290
Total	70,190,541	16,660,282	83,783,880	20,128,290

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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 (Continued)

b) Information on financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt securities	153,146,678	145,176,234
Quoted on a stock exchange ^(*)	153,146,678	145,176,234
Unquoted on a stock exchange	-	-
Share certificates	19,057	17,211
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	19,057	17,211
Impairment provision (-) ^(**)	(8,324,133)	(4,982,613)
Total	144,841,602	140,210,832

^(*) The Eurobond Portfolio amounting to TL 7,713,059 (December 31, 2024 – TL 7,357,912) which is accounted for as financial assets measured at fair value through other comprehensive income were hedged under fair value hedge accounting starting from March and April 2009.

^(**) As of March 31, 2025 amount of TL 21,880 (December 31, 2024 – TL 20,455) 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	-	2,436,436	-	2,270,807
Corporate Shareholders	-	2,436,436	-	2,270,807
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	1,030,872	-	817,098	-
Total	1,030,872	2,436,436	817,098	2,270,807

^(*) Includes the advances given to the bank personnel.

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	Loans Under Close Monitoring		
		Loans Not Subject to restructuring	Restructured Loans and Receivables	
			Loans with Revised Contract Terms	Re-finance
Non-specialized Loans	861,746,021	48,240,193	1,561,329	55,662,894
Enterprise Loans	50,607,529	44,361	-	-
Export Loans	101,988,935	625,923	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	18,336,387	1,000	-	-
Retail Loans	154,052,456	12,546,879	1,474,470	15,138,804
Credit Cards	252,113,212	20,548,062	-	20,058,693
Other	284,647,502	14,473,968	86,859	20,465,397
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	861,746,021	48,240,193	1,561,329	55,662,894

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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	7,938,986	-
Significant Increase in Credit Risk	-	12,744,457
Prior Period		
Provision for 12 Month Expected Credit Losses	8,506,511	-
Significant Increase in Credit Risk	-	13,050,092

c) Loans measured at amortized cost and other receivables according to their maturity structure

Cash Loans	Standard Loans	Loans Under Close Monitoring	
		Loans Not Subject to Restructuring	Loans with Restructured Loans
Short-term Loans	584,740,994	20,548,062	20,058,693
Medium and Long-term Loans	277,005,027	27,692,131	37,165,530
Total	861,746,021	48,240,193	57,224,223

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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	54,638,778	86,882,688	141,521,466
Housing Loans	7,712	5,042,835	5,050,547
Automobile Loans	-	7,457	7,457
Personal Need Loans	54,631,066	81,832,396	136,463,462
Other	-	-	-
Consumer Loans-FC Indexed	-	114	114
Housing Loans	-	114	114
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	238,889,755	13,338,314	252,228,069
Installment	63,013,312	9,406,011	72,419,323
Non- Installment	175,876,443	3,932,303	179,808,746
Individual Credit Cards-FC	573,259	1,355	574,614
Installment	-	-	-
Non- Installment	573,259	1,355	574,614
Personnel Loans-TL	242,100	349,363	591,463
Housing Loans	-	1,371	1,371
Automobile Loans	-	-	-
Personal Need Loans	242,100	347,992	590,092
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	417,056	9,382	426,438
Installment	112,767	2,537	115,304
Non-Installment	304,289	6,845	311,134
Personnel Credit Cards-FC	4,140	10	4,150
Installment	-	-	-
Non-Installment	4,140	10	4,150
Overdraft Accounts-TL (Natural Persons)	39,132,285	1,967,281	41,099,566
Overdraft Accounts-FC (Natural Persons)	-	-	-
Total	333,897,373	102,548,507	436,445,880

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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	8,095,850	70,592,183	78,688,033
Real Estate Loans	45,301	1,179,118	1,224,419
Automobile Loans	136,232	2,032,829	2,169,061
Personal Need Loans	7,914,317	67,380,236	75,294,553
Other	-	-	-
Commercial Loans with Installment Facility - FC Indexed	-	104,269	104,269
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	104,269	104,269
Other	-	-	-
Commercial Loans with Installment Facility – FC	-	-	-
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
Personal Need Loans	-	-	-
Other	-	-	-
Corporate Credit Cards –TL	38,508,586	943,916	39,452,502
Installment	5,622,969	180,368	5,803,337
Non-Installment	32,885,617	763,548	33,649,165
Corporate Credit Cards –FC	34,113	81	34,194
Installment	-	-	-
Non-Installment	34,113	81	34,194
Overdraft Accounts-TL (Legal Entities)	3,674,073	48,075	3,722,148
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	50,312,622	71,688,524	122,001,146

f) Allocation of loans to customers (*)

	Current Period	Prior Period
Public	6,380,962	5,962,816
Private	960,829,475	880,411,906
Total	967,210,437	886,374,722

(*) The table does not include non-performing loan amount.

g) Allocation of domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	961,104,702	882,515,564
Foreign Loans	6,105,735	3,859,158
Total	967,210,437	886,374,722

(*) The table does not include non-performing loan amount.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	10,388,925	12,702,629
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	10,388,925	12,702,629

i) Specific provisions for loans (Stage III/Specific Provision)

	Current Period	Prior Period
Provisions		
Loans and Receivables with Limited Collectability	6,558,394	4,568,001
Doubtful Loans and Other Receivables	8,031,093	6,839,649
Uncollectible Loans and Receivables	10,375,287	7,645,981
Total	24,964,774	19,053,631

j) Non-performing loans (NPLs) (Net)

j.1) Non-performing loans and other receivables restructured or rescheduled

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Current Period			
Gross Amounts Before the Provisions	-	18,797	179,779
Restructured Loans	-	18,797	179,779
Prior Period			
Gross Amounts Before the Provisions	-	21,727	200,582
Restructured Loans	-	21,727	200,582

j.2) Movement of total non-performing loans

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Prior Period End Balance	6,268,101	8,746,428	9,609,443
Additions (+)	8,030,558	243,608	501,098
Transfers from Other Categories of Non-Performing Loans (+)	-	4,987,717	2,978,236
Transfers to Other Categories of Non-Performing Loans (-)	4,987,717	2,978,236	-
Collections (-)	1,125,634	942,047	409,985
Write-offs (-)	-	-	55,600
Debt Sales (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
Current Period End Balance	8,185,308	10,057,470	12,623,192
Provision (-)	6,558,394	8,031,093	10,375,287
Net Balances on Balance Sheet	1,626,914	2,026,377	2,247,905

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

j.3) Information on foreign currency non-performing loans and other receivables

None (December 31, 2024 – None).

j.4) Breakdown of non-performing loans according to their gross and net values

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Current Period (Net)	1,626,914	2,026,377	2,247,905
Loans to Natural Persons and Legal Entities (Gross)	8,185,308	10,057,470	11,698,433
Provision (-)	6,558,394	8,031,093	9,450,528
Loans to Natural Persons and Legal Entities (Net)	1,626,914	2,026,377	2,247,905
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	924,759
Provision (-)	-	-	924,759
Other Loans and Receivables (Net)	-	-	-
Prior 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
Specific 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)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	688,818
Specific provision (-)	-	-	688,818
Other Loans and Receivables (Net)	-	-	-

j.5) Breakdown of non-performing loans according to their gross and net values

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible Loans
Current Period (Net)			
Interest Accruals and Valuation Differences	1,335,134	1,641,236	1,859,680
Provision (-)	483,539	699,062	1,009,798
Prior Period (Net)			
Interest Accruals and Valuation Differences	985,780	1,384,725	1,434,456
Provision (-)	360,681	541,768	822,370

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

6. Information related to loans (Continued)

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.

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	24,292,837	2,099,523	26,984,053	1,198,217
Subject to repurchase agreements	60,120,735	30,558,126	56,020,248	33,920,075
Total	84,413,572	32,657,649	83,004,301	35,118,292

b) Information on government debt securities measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	96,376,145	35,101,250	92,712,302	36,326,963
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Total	96,376,145	35,101,250	92,712,302	36,326,963

c) Information on investment securities measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	96,376,145	35,101,250	92,712,302	36,471,527
Publicly traded	96,376,145	35,101,250	92,712,302	36,471,527
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	96,376,145	35,101,250	92,712,302	36,471,527

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

7. Information on Financial Assets Measured at Amortized Cost (Continued)

d) Movement of investments measured at amortized cost within the period

	Current Period	Prior Period
Balance at the beginning of the period	129,183,829	102,093,865
Exchange differences on monetary assets	2,417,395	5,602,433
Acquisitions during the year	26,339,688	19,551,082
Disposals through sales and redemptions	(30,249,099)	(21,505,687)
Provision for losses (-)	-	-
Valuation effect	3,785,582	23,442,136
Balance at the End of the period	131,477,395	129,183,829

As of March 31, 2025, a provision amounting to TL 17,749 (December 31, 2024 – TL 17,707) is provided for the financial assets measured at amortized cost.

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 RiskGroup 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

	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.	6,495,333	5,471,614	1,365,045	1,644,112	-	1,621,939	1,956,660	-
2.	697,430	508,993	28,961	164,216	-	154,302	69,322	-
3.	13,936,569	13,298,685	61,143	4,969,864	-	1,633,267	(897,101)	-
4.	4,453,050	1,780,091	97,487	761,726	-	(50,233)	(262,350)	-

^(*) Current period information is based on December 31, 2024 financials. Prior period profit and loss amounts are based on December 31, 2023 financials.

^(**) Current period information is based on December 31, 2023 financials. Prior period profit and loss amounts are based on December 31, 2022 financials.

^(***) Current and prior period information has been provided based on financial statements subject to inflation accounting.

^(****) Total fixed assets consist of tangible and intangible assets.

b) Information on the consolidated subsidiaries

None (December 31, 2024 – None).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (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	53,737	53,722
Movements During the Period	(15)	15
Purchases	-	-
Bonus Shares Received (*)	-	15
Dividends From Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provisions	(15)	-
Balance at the End of the Period	53,722	53,737
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The "Non-Cash Acquired Equity Securities" item includes the capital contribution to Borsa İstanbul A.Ş. in the previous period

8.3. Sectoral information on investments and associates. and the related carrying amounts

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	53,722	53,737
Total	53,722	53,737

8.4. Quoted Associates

None (December 31, 2024 – None).

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. Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Türkiye	99.91	99.99
2. QNB eSolutions 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.	805,244	240,456	294,167	-	-	136,458	24,858	-
2.	2,549,964	739,742	61,785	76,317	-	79,417	14,333	-

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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

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.	9,486,261	4,663,748	141,517	543,444	31,915	607,384	399,445	-
2.	36,150,783	5,142,855	63,859	1,500,845	10,401	379,482	163,352	5,111,995
3.	2,103,686	1,339,672	6,846	6,095	-	299,681	78,983	-
4.	27,493,808	4,299,147	49,542	2,490,366	-	467,270	249,111	-
5.	2,105,900	2,800	-	-	-	448	162	-
6.	12,701,626	2,148,117	242,095	619,265	58,787	802,966	365,273	-

b.2) Movement of subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	19,024,959	9,789,830
Movements during the period	(42,851)	9,235,129
Purchases (*)	-	1,993,986
Bonus Shares Received	-	-
Dividends from Current Year Profit	2,409,292	6,670,444
Disposals	-	-
Revaluation Increase (**), (***)	(2,452,143)	570,699
Impairment Provision	-	-
Balance at the End of the Period	18,982,108	19,024,959
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) In the previous period, pursuant to the Extraordinary General Assembly Resolution of QNB Finansal Kiralama A.Ş. dated 21 November 2024, the company's capital was increased from TL 1,000,000 to TL 2,000,000 through a paid capital increase.

With the decision of the Board of Directors of QNB Faktoring A.Ş. dated February 12, 2024, the capital of the company was increased from TL 65,000 to TL 1,065,000 through a capital increase through rights issue.

(**) Includes differences arising from equity method accounting.

(***) Includes dividend income received during the current period.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

9. Investments in subsidiaries (Continued)

b.3) Sectoral information on financial subsidiaries and the related carrying amounts

	Current Period	Prior Period
Factoring Companies	4,299,148	3,831,879
Leasing Companies	5,111,995	4,622,820
Insurance Companies	3,929,253	5,504,259
Other Subsidiaries	5,641,712	5,066,001
Total	18,982,108	19,024,959

b.4) Consolidated subsidiaries quoted on stock exchange

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	5,111,995	4,622,820
Quoted on International Stock Exchanges	-	-
Total	5,111,995	4,622,820

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	390,073	333,332	239,372	420,929	430,741

(*) Current period information has been provided based on the financial statements prepared as of February 28, 2025.

11. Information on lease receivables (Net)

None (December 31, 2024 – None).

12. Information on the hedging derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	5,182,732	631,383	2,082,932	509,242
Cash Flow Hedge (**)	4,580,847	2,242,092	912,432	2,451,822
Foreign Net Investment Hedges	-	-	-	-
Total	9,763,579	2,873,475	2,995,364	2,961,064

(*) Derivative financial instruments used for hedging the fair value risk consist of swaps. As of March 31, 2025, TL 5,182,732 (December 31, 2024 – TL 2,082,932) of loans, TL 380,771 (December 31, 2024 – TL 470,559) of securities and the amount of TL 250,612 (December 31, 2024 – TL 38,683) of securities issued represent the fair value of derivative financial instruments used for hedging the fair value risk.

(**) Represents the fair value of derivative financial instruments for cash flow hedge of deposits and floating interest borrowings.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

I. Explanations and Disclosures Related to Assets (Continued)

13. Information on assets held for sale and discontinued operations

None (December 31, 2024 – None).

14. Information on Tax Asset

As of March 31, 2025, the Bank has TL 2,915,197 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 March 31, 2025, the Bank has deferred tax assets amounting to TL 15,241,645 and deferred tax liabilities amounting to TL 12,326,448 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 1,018,391 has been netted under equity (December 31, 2024 – TL 929,453 deferred tax income).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.03.2025	31.12.2024	31.03.2025	31.12.2024
Provision for Employee Rights	3,269,275	3,791,842	980,782	1,137,553
Difference Between the Book Value of Financial Assets and Tax Base	4,456,931	1,838,500	1,337,079	551,550
Differences Between Carrying Value and Tax Value of Tangible Fixed Assets	10,812,292	10,253,803	3,243,688	3,076,141
Other (*)	32,266,985	32,611,629	9,680,096	9,783,488
Deferred Tax Assets			15,241,645	14,548,732
Differences Between Carrying Value and Tax Basis of Financial Assets	(30,395,995)	(20,059,379)	(9,118,798)	(6,017,814)
Other	(10,692,166)	(10,551,346)	(3,207,650)	(3,165,403)
Deferred Tax Liabilities			(12,326,448)	(9,183,217)
Deferred Tax Assets/(Liabilities) - Net			2,915,197	5,365,515

(*) Includes accumulated temporary differences related to expected credit losses amounting to TL 22,161,502 (December 31, 2024 – TL 23,166,023)

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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 (December 31, 2024 – None).

16. 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 March 31, 2025, the Bank is provided provisions for other assets amount to TL 24,364 (December 31, 2024 – TL 25,388).

17. 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.

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments	12,759,333	8,675,916	4,242,985	6,700,341
Loans	24,892,321	6,741,804	23,401,007	6,707,878
Financial Assets measured at amortized cost	(2,381,523)	(1,177,529)	2,828,409	(730,447)
Financial Assets at Fair Value Through Other				
Comprehensive Income	4,615,850	509,301	11,880,901	633,749
Central Bank of Türkiye	10,028,820	-	10,405,882	-
Financial Assets at Fair Value Through Profit or				
Loss	177,526	(437)	169,167	3,355
Banks	-	2,929	-	-
Other Accruals	217,487	66,575	187,363	30,680
Total	50,309,814	14,818,559	53,115,714	13,345,556

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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	57,003,246	-	116,758,465	247,044,520	49,746,824	8,095,404	9,639,383	2,123	488,289,965
Foreign Currency	168,017,185	-	18,162,040	16,498,107	1,268,686	357,619	373,886	7,479	204,685,002
Residents in Türkiye	155,579,587	-	17,929,501	16,075,561	1,230,155	353,021	293,827	7,479	191,469,131
Residents Abroad	12,437,598	-	232,539	422,546	38,531	4,598	80,059	-	13,215,871
Public Sector Deposits	1,501,728	-	14,131	228,469	-	-	-	-	1,744,328
Commercial Deposits	29,218,826	-	60,867,691	72,496,509	9,355,246	2,603,561	2,455,498	-	176,997,331
Other Ins. Deposits	492,357	-	597,367	7,892,477	1,070,903	3,388	168	-	10,056,660
Precious Metal Deposits	73,854,835	-	63,631	87,239	32,860	48,653	1,280,104	-	75,367,322
Bank Deposits	537,419	-	23,749,735	12,398,542	2,964,879	109,694	-	-	39,760,269
T.R Central Bank.	-	-	-	-	-	-	-	-	-
Domestic Banks	15,166	-	1,439,193	-	-	-	-	-	1,454,359
Foreign Banks	522,253	-	22,310,542	12,398,542	2,964,879	109,694	-	-	38,305,910
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total^(*)	330,625,596	-	220,213,060	356,645,863	64,439,398	11,218,319	13,749,039	9,602	996,900,877

(*) As of March 31, 2025, TL 37.366.767 CBRT Currency Protected Deposits.

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	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 December 31, 2024, TL 49.709.368 CBRT Currency Protected Deposits.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

1.1. 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	234,523,997	170,872,167	442,564,287	420,836,795
Foreign Currency Savings Deposits	85,475,896	66,541,667	194,576,428	164,402,578
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	319,999,893	237,413,834	637,140,715	585,239,373

^(*) 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 August 27, 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 32,122,104 (December 31, 2024 – TL 23,889,137) is included in the footnote.

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	11,934	10,747
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	1,553,531	1,456,117
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26. 2004	-	-
Saving deposits in banks established in Türkiye exclusively for offshore banking activities	-	-
Total	1,565,465	1,466,864

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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	2,273,772	10,817	2,647,549	15,429
Swaps transactions	704,420	2,294,188	882,852	2,620,293
Futures transactions	-	-	-	-
Options	3,828	647,339	36	1,062,782
Other	-	-	-	-
Total	2,982,020	2,952,344	3,530,437	3,698,504

3. Information on funds borrowed

a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Türkiye Loans	-	-	-	-
Domestic Bank and Institutions	814,135	838,722	599,909	761,174
Foreign Bank. Institutions and Funds	-	190,346,195	40,000	154,917,864
Total	814,135	191,184,917	639,909	155,679,038

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	814,135	33,770,571	639,909	47,808,479
Medium and Long-Term	-	157,414,346	-	107,870,559
Total	814,135	191,184,917	639,909	155,679,038

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 March 31, 2025 the Bank's liabilities comprise; 59% deposits (December 31, 2024 – 58%), 11% funds borrowed (December 31, 2024 – 10%), 6% issued bonds (December 31, 2024 – 5%) and 8% Money market debts (December 31, 2024 – 10 %).

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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	87,441,267	-	94,278,476	-
Financial institutions and organizations	87,418,993	-	94,250,112	-
Other institutions and organizations	4,419	-	19,195	-
Natural persons	17,855	-	9,169	-
From foreign transactions	250,884	50,886,710	2,412,256	48,467,653
Financial institutions and organizations	202,427	50,886,710	2,373,293	48,467,653
Other institutions and organizations	48,457	-	38,963	-
Natural persons	-	-	-	-
Total	87,692,151	50,886,710	96,690,732	48,467,653

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	8,594,348	19,304,438	2,736,294	18,425,962
Bills	-	65,776,253	-	46,019,814
Total	8,594,348	85,080,691	2,736,294	64,445,776

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	58,479	41,181	63,866	47,669
Between 1 - 4 years	2,274,275	1,617,848	2,170,101	1,631,132
More than 4 years	-	-	-	-
Total	2,332,754	1,659,029	2,233,967	1,678,801

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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. Explanations and Disclosures Related to leasing transactions

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 (December 31, 2024 – None).

8. Information on the hedging derivative financial liabilities

	Current Period (***)		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	82,149	22,338	1,081,111	3,451
Cash Flow Hedge (**)	413,570	882,261	1,992,982	1,042,321
Net Investment Hedge	-	-	-	-
Total	495,719	904,599	3,074,093	1,045,772

(*) Derivative financial instruments for hedging the fair value risk consist of swaps. As of March 31, 2025, the fair value of derivative financial instruments used for hedging includes TL 22,338 for securities (December 31, 2024 – TL 3,451) and TL 82,149 for loans (December 31, 2024 – 1,081,111). As of March 31, 2025, there are no derivative financial liabilities for hedging against fair value risk of securities (December 31, 2024 – TL, None).

(**) 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

None. (December 31,2024: None).

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

9. Information on provisions (Continued)

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	1,324,463	1,448,063
Stage 2	164,512	135,192
Stage 3	61,893	41,301
Total	1,550,868	1,624,556

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% has been applied in the calculation of the total loan compensation liability (December 31, 2024 – 4.0%)

As of March 31, 2025 the Bank presented the provision for severance pay of TL 1,255,306 (December 31, 2024 – TL 1,189,899) under the “Reserves for Employee Benefits” item in its financial statements.

As of March 31, 2025, the Bank has shown a total vacation liability of TL563,124 (December 31, 2024 – TL 398,118) under the “Reserves for Employee Benefits” in its financial statements.

As of March 31, 2025, TL 1,450,845 (December 31, 2024 – TL 2,203,825) 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 01.01-31.03.2025	Prior Period 01.01-31.03.2024
As of January 1	1,189,899	919,522
Service Cost	44,077	36,146
Interest Cost	83,772	54,979
Settlement / curtailment / termination loss	47,871	35,235
Actuarial Difference	(321)	12,314
Paid during the period	(109,992)	(114,894)
Total	1,255,306	943,302

9.4. Information on other provisions

Except for those stated in footnote 9.3 above, other provisions amounting to TL 486,940 (December 31, 2024 – TL 653,801) 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.

As of 31 March 2025, the unconsolidated financial statements include a total amount of TL 6,600,000 of discretionary provisions under other provisions, of which TL 4,700,000 was expensed in the prior year and TL 1,900,000 in the current period, set aside by the Bank’s management apart from the requirements of the BRSA Accounting and Financial Reporting Regulation.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

10. Explanations on taxation (Continued)

10.1. Informations on current taxes (Continued)

10.1.1. Information on tax provision

As of March 31, 2025, the Bank has a tax liability amounting to TL 3,260,052 (December 31, 2024 – TL 3,194,270). As of the same date, the Bank has prepaid tax amounting to TL 29,322 (December 31, 2024 – TL 29,322).

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	3,260,052	3,194,270
Banking and Insurance Transaction Tax (BITT)	2,953,016	2,913,565
Taxation on Securities Income	3,407,710	2,152,068
Taxation on Real Estates Income	14,917	11,000
Other	491,669	473,567
Total	10,127,364	8,744,470

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.

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	237,290	115,454
Social Security Premiums - Employer Share	329,051	158,926
Unemployment Insurance - Employee Share	15,448	7,481
Unemployment Insurance - Employer Share	30,915	14,965
Total	612,704	296,826

11. Information on payables related to assets held for sale

None (December 31, 2024 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
To be included in the calculation of additional capital	-	20,396,127	-	18,533,717
Subordinated Loans	-	20,396,127	-	18,533,717
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	11,786,062	-	13,765,122
Subordinated loans	-	-	-	3,035,135
Subordinated debt instruments	-	11,786,062	-	10,729,987
Total	-	32,182,189	-	32,298,839

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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 (December 31, 2024 – None).

13.4. Information on share capital increases from revaluation funds

None (December 31, 2024 – 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 (December 31, 2024 – None).

13.7. Information on the privileges given to stocks representing the capital

None (December 31, 2024 – 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..

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

II. Explanations and Disclosures Related to Liabilities (Continued)

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	(6,768,929)	(1,295,352)	(3,330,336)	(900,979)
Valuation Difference	(6,768,929)	(1,295,352)	(3,330,336)	(900,979)
Foreign Exchange Rate Difference	-	-	-	-
Total	(6,768,929)	(1,295,352)	(3,330,336)	(900,979)

16. Accrued interest and expenses

The details of interest and expense 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 Liabilities	3,477,739	3,856,943	6,604,530	4,744,276
Deposits	14,846,930	193,665	15,740,376	264,318
Funds Borrowed	42,990	3,619,559	36,543	2,934,191
Money Market Borrowings	485,295	719,783	354,031	934,919
Securities Issued	29,831	13,459,528	-	12,172,018
Other Accruals	1,859,522	1,357,710	1,924,164	1,020,456
Total	20,742,307	23,207,188	24,659,644	22,070,178

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	827,802,159	701,154,935
Commitment For Use Guaranteed Credit Allocation	211,878,630	170,604,108
Forward. Asset Purchase Commitments	66,262,656	57,800,503
Other Irrevocable Commitments	15,517,346	14,191,940
Payment Commitments for Cheques	13,762,057	9,978,545
Commitments for Promotions Related with Credit Cards and Banking Activities	253,429	266,571
Tax and Fund Liabilities due to Export Commitments	809,180	638,126
Total	1,136,285,457	954,634,728

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

1. Information related to off-balance sheet contingencies (Continued)

1.2. Type and amount of possible losses and commitments from off-balance sheet items

A provision of TL 1,550,868 (December 31, 2024 – TL 1,624,556) 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	23,716,734	18,581,093
Letters of Credit	18,968,667	15,418,060
Total	42,685,401	33,999,153

1.4. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Final Letters of Guarantee	46,787,994	40,096,354
Advance Letters of Guarantee	26,020,707	22,796,737
Provisional Letters of Guarantee	5,632,013	3,328,527
Letters of Guarantee Given to Customs Offices	1,832,384	1,548,798
Other Letters of Guarantee	48,272,801	40,566,228
Total	128,545,899	108,336,644

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	19,556,296	16,069,874
Less Than or Equal to One Year with Original Maturity	2,253,746	1,394,237
More Than One Year with Original Maturity	17,302,550	14,675,637
Other Non-Cash Loans	151,675,004	126,265,923
Total	171,231,300	142,335,797

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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	171,652	0.21	214,337	0.24	203,956	0.30	137,642	0.19
Farming and Raising Livestock	124,445	0.15	214,337	0.24	167,401	0.24	137,642	0.19
Forestry	22,405	0.03	-	-	22,753	0.03	-	-
Fishing	24,802	0.03	-	-	13,802	0.02	-	-
Manufacturing	27,251,363	32.85	46,486,018	52.67	22,312,681	32.37	37,145,186	50.60
Mining and Quarrying	544,522	0.66	93,829	0.11	274,712	0.40	78,391	0.11
Production	24,263,218	29.24	45,370,532	51.40	20,040,580	29.07	36,129,372	49.22
Electricity, gas and water	2,443,623	2.95	1,021,657	1.16	1,997,389	2.90	937,423	1.28
Construction	19,521,929	23.53	17,119,880	19.40	15,845,388	22.99	14,850,501	20.23
Services	35,081,278	42.28	21,167,961	23.98	29,755,760	43.17	17,894,744	24.38
Wholesale and Retail Trade	23,073,432	27.81	8,284,858	9.39	19,603,101	28.44	6,785,297	9.24
Hotel, Food and Beverage								
Services	1,381,135	1.66	424,816	0.48	1,165,628	1.69	392,619	0.53
Transportation&Communication	1,396,755	1.68	1,468,220	1.66	1,380,295	2.00	929,169	1.27
Financial Institutions	4,577,248	5.52	8,249,390	9.35	3,745,312	5.43	7,052,930	9.61
Real Estate and Renting								
Services	295,122	0.36	303,174	0.34	282,648	0.41	319,959	0.44
Self-Employment Services	2,432,246	2.93	1,358,741	1.54	1,801,022	2.61	1,306,032	1.78
Educational Services	34,151	0.04	-	0.00	27,813	0.04	-	-
Health and Social Services	1,891,189	2.28	1,078,762	1.22	1,749,941	2.54	1,108,738	1.51
Other	942,331	1.14	3,274,551	3.71	810,696	1.18	3,379,243	4.60
Total	82,968,553	100.00	88,262,747	100.00	68,928,481	100.00	73,407,316	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	66,233,760	48,269,816	9,344,979	4,635,451
Bills of Exchange and Acceptances	6,434,213	13,820,105	833,400	2,629,016
Letters of Credit	44,783	16,296,399	15,525	2,611,960
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-Cash Loans	72,712,756	78,386,320	10,193,904	9,876,427

^(*) The amount of TL 61,893 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.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

4. Information on non-cash loans classified under group I and II (Continued)

Prior 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.

5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	867,148,473	598,831,230
Forward transactions ^(*)	244,647,114	139,715,838
Swap transactions	515,087,176	382,259,721
Futures transactions	7,691,608	620,832
Option transactions	99,722,575	76,234,839
Interest Related Derivative Transactions (II)	472,906,158	387,054,514
Forward rate transactions	-	-
Interest rate swap transactions	472,906,158	387,054,514
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	1,340,054,631	985,885,744
Types of hedging transactions		
Fair value hedges	94,431,947	84,605,800
Cash flow hedges	262,569,364	230,130,541
Net investment hedges	-	-
B. Total Hedging Related Derivatives	357,001,311	314,736,341
Total Derivative Transactions (A+B)	1,697,055,942	1,300,622,085

^(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

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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)

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:

	Forward Buy (**)	Forward Sell (**)	Swap Buy (*)	Swap Sell (*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
Current Period									
TL	15,000,173	81,949,062	117,165,429	165,965,397	11,467,158	17,816,120	2,597,249	1,474,035	-
USD	60,851,851	33,537,768	397,638,456	288,893,684	22,860,617	20,436,898	1,198,718	2,421,606	-
Euro	42,489,997	9,549,653	73,643,713	209,952,456	14,610,359	11,216,957	-	-	-
Other	1,034,286	234,324	89,795,828	1,939,682	432,286	882,180	-	-	-
Total	119,376,307	125,270,807	678,243,426	666,751,219	49,370,420	50,352,155	3,795,967	3,895,641	-

(*) 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	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.

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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 March 31, 2025, the TL installment loans amounting to TL 31,600,507 (December 31, 2024 – TL 26,423,651) were subject to hedge accounting by swaps with a nominal amount of TL 17,729,379 (December 31, 2024 – TL 15,312,045). As of March 31, 2025, there was a loss of TL 1,687,706 from the mentioned loans (March 31, 2024 - TL 441,355 loss), 1,364,927 TL income from swaps (31 March 2024 – 411,153 TL income) resulting in a net market valuation difference losses of TL 322,779 which has been recognized in the accompanying financial statements under the "Income/Losses from Derivative Financial Transactions" account (March 31, 2024 - TL 30,202 loss).

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 6,062 losses (March 31, 2024 – TL 11,220 income) related to the loans that are ineffective for hedge accounting under "Income/Losses from Financial Derivatives Transactions" as losses 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 (December 31, 2024 – USD 212,671 Million) were subject to hedge accounting by interest swaps of the same nominal value. As of March 31, 2025, there was an income of TL 109,846 from the mentioned eurobonds (March 31, 2024 – TL 1,113,621 loss) and a loss of TL 87,516 from swaps (March 31, 2024 – TL 1,109,113 income), resulting in a net market valuation difference income of TL 22,329 which has been recognized in the accompanying financial statements under the "Income/Losses from Derivative Financial Transactions" account (March 31, 2024 – TL 4,508 loss).

The Bank does not have a TL denominated government bond portfolio subject to fair value hedge accounting in the current period (December 31, 2024 – None).

c) Securities Issued

The 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 (December 31, 2024 – USD 500 Million) are subject to hedge accounting with the same nominal amount of swaps. As of March 31, 2025, a net market valuation difference loss of TL 25,207 consisting of TL 221,578 loss from the aforementioned securities (March 31, 2024 – TL 37,133 loss) and TL 246,786 income from swaps (March 31, 2024 – TL 35,833 income) is shown under "Income/Losses From Derivative Transactions" account in the financial statements (March 31, 2024 – TL 1,300 loss)

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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

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 (December 31, 2024 – USD 665 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 273,674 (March 31, 2024 – TL 802,328 loss) has been accounted for under equity in the current period. The income amounting to TL 5,734 related to the ineffective portion is associated with the profit or loss statement (March 31, 2024 – TL 1,593 loss).

On the other hand, swaps with a nominal amount of TL 2,770 million as of the balance sheet date (December 31, 2024 - TL 3,640 million) related to the floating rate TL loans extended by the Bank are subject to hedge accounting as hedging instruments. As a result of the hedge accounting, fair value income before tax amounting to TL 122,894 (March 31, 2024 – TL 278,351 loss) has been recognized under equity in the current period. A loss amounting to TL 607 (March 31, 2024 - TL 795 loss) related to the ineffective portion is associated with the statement of profit or 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 9,726,000 (December 31, 2024 – TL 8,575,000) are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value income before taxes amounting to TL 342,193 are accounted for under equity during the current period (March 31, 2024 – TL 182,239 income). There is no ineffective portion in the hedging accounting transaction (March 31, 2024 -TL 13 loss).

As of the balance sheet date, swaps with a nominal amount of USD 1,834 Million (December 31, 2024 – USD 1,884 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 496 million (December 31, 2024 – EUR 216 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 1,621,098 (March 31, 2024 – TL 2,661,744 income) are accounted for under equity during the current period. The income amounting to TL 689 (March 31, 2024 – TL 25,526 income) related to the ineffective portion is associated with the statement of profit or loss and other comprehensive income.

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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)

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 178 Million (December 31, 2024 – USD 186 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 39,158 (March 31, 2024 – TL 93,936 income) has been accounted for under equity in the current period. The income amounting to TL 1,796 (March 31, 2024 – TL 4,192 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 26,789 (March 31, 2024 – TL 24,787 loss) was transferred from the “Income/losses from derivative 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 385,494 (March 31, 2024 – TL 35,159 loss) from equity to the profit or loss statement related to terminated hedge accounting practices.

The measurements as of March 31, 2025, hedge of cash flow transactions stated above are determined as effective.

6. Credit derivatives and risk exposures on credit derivatives

As of March 31, 2025, the Bank has no commitments related to “Loan-Linked Bonds” (December 31, 2024 - None).

As of March 31, 2025, the Bank has no “Credit Default Swaps” under “Other” line in “Derivative Financial Instruments” (December 31, 2043 -None).

7. Information on contingent liabilities and assets

The Bank has recorded a provision of TL 74,134 (December 31, 2024 – TL 68,687) 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.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENT (Continued)

III. Explanations and Disclosures Related to Off-Balance Sheet Items (Continued)

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	Financial Capacity Rating	b+
Adjusted Main Credit Evaluation	ba2	Support	bb-
Long -Term Foreign Currency Subordinate	Ba3	Long -Term priority unsecured debt	BB-
	B1 (hyb)	Long -Term Subordinated Debt	B+

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	43,360,236	2,771,056	24,244,070	1,674,291
Medium and Long-Term Loans	17,219,308	2,992,865	12,821,174	2,840,470
Non-Performing Loans	868,114	-	304,625	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total (*)	61,447,658	5,763,921	37,369,869	4,514,761

(*) Includes fee and commission income related to cash loans.

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Türkiye	5,035,724	-	229,584	-
Domestic Banks	7,168	-	157,557	-
Foreign Banks	-	198,084	1,031	192,649
Foreign Headquarters and Branches	-	-	-	-
Total	5,042,892	198,084	388,172	192,649

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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)	533,112	29,745
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	9,580,559	407,822
Financial Assets Measured at Amortized Cost	5,127,282	560,707
Total	15,240,953	998,274
	Prior Period	
	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	124,088	9,890
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	5,306,672	391,069
Financial Assets Measured at Amortized Cost	5,752,808	474,537
Total	11,183,568	875,496

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. In parallel with this, the Bank determines the estimated inflation rate used in the valuation of the related securities. The estimated inflation rate used is updated during the year when deemed necessary. As of March 31, 2025, an annual rate of 25% has been taken into account for the estimated inflation rate used in the valuation of these securities. If the valuation of these CPI-indexed securities were made according to the reference index valid for March 31, 2025, the Bank's securities valuation differences under shareholders' equity would have decreased by TL 278,206 after tax and the net profit for the period would have increased by TL 1,460,898 to TL 12,648,769.

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	331,352	240,268

2. a) Information on interest expense related to funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	151,121	3,521,025	65,060	2,839,126
Central Bank of Türkiye	-	-	-	-
Domestic Banks	68,435	13,430	48,768	12,105
Foreign Banks	82,686	3,507,595	16,292	2,827,021
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	151,121	3,521,025	65,060	2,839,126

(*) Includes fee and commission expenses related to cash loans.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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)

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	113,059	33,190

c) Information on interest expense paid to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on securities issued	610,318	1,622,939	247,937	1,235,828

d) Information on maturity structure of interest expenses on deposits

Current Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Time Deposits		Accumulated Deposit Account	Total
					Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	978,026	512,208	-	-	-	-	1,490,234
Saving Deposits	-	8,049,679	25,360,495	4,610,807	1,002,022	721,591	-	39,744,594
Public Sector Deposits	-	1,842	26,733	-	-	-	-	28,575
Commercial Deposits	-	8,085,419	7,123,578	964,804	290,495	210,933	-	16,675,229
Other Deposits	-	124,006	881,146	76,810	29,842	10	-	1,111,814
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	17,238,972	33,904,160	5,652,421	1,322,359	932,534	-	59,050,446
Foreign Currency								
Deposits	-	11,447	15,972	194	31	587	-	28,231
Bank Deposits	99	289,186	150,638	46,740	1,740	-	-	488,403
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	53	-	-	-	-	-	53
Total	99	300,686	166,610	46,934	1,771	587	-	516,687
Grand Total	99	17,539,658	34,070,770	5,699,355	1,324,130	933,121	-	59,567,133
Prior Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Time Deposits		Accumulated Deposit Account	Total
					Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	73,765	13,426	-	-	-	-	87,191
Saving Deposits	-	5,007,869	5,887,333	7,946,539	5,483,413	585,427	-	24,910,581
Public Sector Deposits	-	2,534	8,527	-	-	-	-	11,061
Commercial Deposits	-	3,305,138	1,629,169	1,913,685	1,496,990	668,018	-	9,013,000
Other Deposits	-	49,235	123,641	147,340	28,647	891	-	349,754
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	8,438,541	7,662,096	10,007,564	7,009,050	1,254,336	-	34,371,587
Foreign Currency								
Deposits	-	30,864	186,674	20,284	2,521	5,365	-	245,708
Bank Deposits	13	235,498	183,589	41,944	48,682	-	-	509,726
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	672	-	-	-	-	-	672
Total	13	267,034	370,263	62,228	51,203	5,365	-	756,106
Grand Total	13	8,705,575	8,032,359	10,069,792	7,060,253	1,259,701	-	35,127,693

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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)

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Repurchase (*)	11,680,603	684,816	489,934	635,547

(*) Includes "Interest on Money Market Transactions.

f) Information on lease expenses

	Current Period	Prior Period
Leasing Expenses	135,819	67,643

g) Information on interest expense on factoring liabilities

None (March 31, 2024 –None).

3. Information on dividend income

	Current Period	Prior Period
Financial Derivative Assets at Fair Value through Profit/Loss (FVTPL)	1,189	3,778
From Financial Assets at Fair Value through Other Comprehensive Income	-	-
Other	-	-
Total	1,189	3,778

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	46,087,743	25,009,772
Income on Capital Market Transactions	1,957,891	363,474
From Derivative Financial Instruments	25,497,721	12,546,786
Foreign Exchange Income	18,632,131	12,099,512
Trading Loss (-)	50,562,814	31,608,429
Losses on Capital Market Transactions	684,203	146,881
From Derivative Financial Instruments	27,591,217	24,378,002
Foreign Exchange Losses	22,287,394	7,083,546
Net Trading Income/Loss	(4,475,071)	(6,598,657)

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.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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)

6. Provision for losses and other provision expenses

	Current Period	Prior Period
Expected Credit Loss	6,004,256	3,219,962
12 month expected credit loss (stage 1)	(559,473)	245,039
Significant increase in credit risk (stage 2)	(304,475)	1,437,781
Non-performing loans (stage 3)	6,868,204	1,537,142
Marketable Securities Impairment Expense	1,425	8,675
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1,425	8,675
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other^(*)	1,922,974	(1,685,339)
Total	7,928,655	1,543,298

(*) Includes free provision expense for possible risks amounting to TL 1,900,000 allocated in the current period. (March 31, 2024 TL 1,400,000 free provision reversal income)

7. Information on other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits ^(*)	173,644	126,322
Depreciation Expenses of Fixed Assets	573,581	359,022
Amortization Expenses of Intangible Assets	303,860	157,638
Other Operating Expenses	2,713,314	1,800,191
Leasing Expenses Related to TFRS 16 Exemptions	4,390	1,751
Maintenance Expenses	578,017	307,705
Advertisement Expenses	202,910	150,165
Other Expenses	1,927,997	1,340,570
Loss on Sales of Assets	-	133
Other ^(**)	2,384,691	1,164,194
Total	6,149,090	3,607,500

(*) Includes in the Personnel Expenses item in the financial statement.

(**) An amount of TL 601,000 consists of Savings Deposit Insurance Fund (SDIF) expenses (March 31, 2024 – TL 431,000), and an amount of TL 1,349,295 consists of taxes, duties, fees, and fund expenses (March 31, 2024 – TL 505,574).

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

For the period ended March 31, 2025 net interest income in income items amounting to TL 20,705,129 (March 31, 2024 – TL 14,619,393), net fees and commission income amounting to TL 15,579,168 (March 31, 2024 – TL 9,675,619) and other operating income amounting to TL 144,147 (March 31, 2024 – TL 132,113) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

9.1. Current period taxation benefit or charge and deferred tax benefit or charge

As of March 31, 2025, the Bank has recorded tax charge TL 65,782 (March 31, 2024 – TL 1,420,288) and a deferred tax loss of TL 3,577,953 (March 31, 2024 – TL 574,235) and a deferred tax income of TL 64,153 (March 31, 2024 – TL 1,747,868) from its continuing operations.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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. Explanations on tax provision for continued and discontinued operations (Continued)

9.2. Explanations on operating profit/loss after taxes

None (March 31, 2024 – None).

10. Explanations on net profit/(loss) from continued and discontinued operations

Net profit of the Bank from continued operations is TL 11,187,871 (March 31, 2024 – TL 9,863,545).

11. Explanations on net income/loss for the period

11.1. 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 (March 31, 2024 – None).

11.2. The effect of the change in the estimates made by the Bank regarding the financial statement items on profit/loss

None (March 31, 2024 – None).

11.3. Profit/loss attributable to minority rights in the accompanying unconsolidated financial statements.

None (March 31, 2024 – None).

11.4. 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.

12. 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 Equities

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

VI. Explanations And Disclosures Related Statement of Cash Flows

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

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

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 March 31, 2025, the Bank's risk group has deposits amounting to TL 6,824,074 (December 31, 2024 – TL 5,705,035), cash loans amounting to TL 10,400,869 (December 31, 2024 – TL 12,704,270) and non-cash loans amounting to TL 3,074,546 (December 31, 2024 – TL 2,883,932).

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						
Balance at the Beginning of the Period	12,702,629	478,452	-	2,270,807	1,641	134,673
Balance at the End of the Period	10,388,925	516,595	-	2,436,436	11,944	121,515
Interest and Commission Income	331,352	465	-	843	13,163	184

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						
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 ^(***)	240,268	1,206	-	542	15,532	59

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the loans given to the Bank's indirect subsidiaries.

^(***) Prior Period Balance Represents March 31, 2024 balance.

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	2,575,279	1,322,572	-	-	3,129,756	8,822,133
Balance at the End of the Period	4,341,101	2,575,279	-	-	2,482,973	3,129,756
Interest on deposits ^(***)	113,059	33,190	-	-	332,431	210,312

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the loans given to the Bank's indirect subsidiaries.

^(***) Prior Period Balance Represents March 31, 2024 balance.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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)

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	3,388,101	2,088,948	-	-	-	-
End of the Period	6,912,719	3,388,101	-	-	-	-
Total Income/Loss ^(***)	188,222	(8,505)	-	-	-	-
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.

(***) Prior Period Balance Represents March 31, 2024 balance.

1.4. Information on benefits provided to top management

As of March 31, 2025, the total amount of remuneration and bonuses paid to top management of the Bank is TL 468,295 (March 31, 2024 – TL 365,995).

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 March 31, 2025, cash loans of the risk group represented 1% of the Bank's total cash loans (December 31, 2024 – 1.4%), the deposits represented 0.7% of the Bank's total deposits (December 31, 2024 – 0.6%) and derivative transactions represented 0.4% of the Bank's total derivative transactions (December 31, 2024 – 0.3%).

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 (Continued)

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 March 31, 2025, the Bank has no net finance lease liabilities to QNB Finansal Kiralama A.Ş. (December 31, 2024 – TL 332) relating with finance lease agreements.

The Bank has signed an agreement with Ibtch 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., a company within its risk group, and acts as an agent for securities trading for QNB Yatırım Menkul Değerler A.Ş.

VIII. 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 Bank's bond issuances realized subsequent to the balance sheet date are as follows:

<u>Issue Date</u>	<u>Currency</u>	<u>Nominal Amount (Full TL)</u>	<u>Days to Maturity</u>
02.04.2025	USD	20,000,000	369
04.04.2025	USD	15,000,000	367
10.04.2025	USD	50,000,000	1.826
08.04.2025	USD	50,000,000	367
08.04.2025	USD	30,000,000	367
08.04.2025	GBP	16,832,000	387
22.04.2025	USD	20,000,000	548

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

SECTION SIX

INTERIM REVIEW REPORT

I. Explanations on the Interim Review Report

The unconsolidated financial statements for the period ended March 31, 2025 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited)The auditor’s report dated April 28, 2025 is presented preceding the unconsolidated financial statements.

II. Explanations and Notes Prepared by Independent Auditors

None (December 31, 2024 – None).

**SECTION SEVEN
UNCONSOLIDATED INTERIM ACTIVITY REPORT**

I. Interim Unconsolidated Activity Report that Includes the Assessment of the Chairman of the Board of Directors and General Manager of Operations

Message by the Chairman

Dear Shareholders,

The year 2025 began with sharp disruptions in global trade policies and heightened uncertainties across international markets. The new trade policies introduced by the U.S.A.-particularly those involving high and varying tariffs- are expected to significantly affect countries with strong trade ties to the United States, including China, as well as many other economies. As a result, trade restrictions have weakened global growth prospects and triggered considerable volatility in financial markets.

In Türkiye, macroeconomic policies remain focused on reducing inflation. Recently, in response to increased volatility in financial markets, the Central Bank of the Republic of Türkiye (CBRT) tightened its stance, raising the policy rate to 46% during the Monetary Policy Committee (MPC) meeting in April. The CBRT also intervened in the foreign exchange markets to support exchange rate stability. While these measures placed pressure on reserves and tightened financial conditions, they effectively limited inflation risks. The recent decline in global energy and commodity prices has further contributed to an improved outlook for inflation and the current account balance. Looking ahead, if foreign exchange demand continues to subside and inflation declines further, we anticipate a gradual shift toward monetary easing.

Economic activity rebounded in the final quarter of 2024, resulting in a full-year GDP growth of 3.2%. Preliminary indicators suggest that this growth momentum continued in the first quarter of 2025. Although a slowdown may occur due to tighter financial conditions, we still expect GDP to grow by approximately 3% this year, reflecting moderate but steady expansion.

As QNB Türkiye, we completed the first quarter of 2025 with strong and balanced performance aligned with our strategic priorities. As of 31 March 2025, QNB Türkiye's total assets increased by 13% compared to year-end 2024, reaching TL 1 trillion 701 billion 978 million. During the same period, net loans rose by 9% to TL 952 billion 428 million, while customer deposits grew by 16% to TL 957 billion 141 million. The bank's net profit for the first quarter of the year was at TL 11 billion 188 million.

These results reflect not only the scale of our growth but also the quality of how we grow. Our customer-centric approach, investments aligned with global technology trends, and disciplined risk management have enabled us to achieve sustainable differentiation in our sector. We continued to manage our financial resources efficiently and responded to dynamic market conditions with agility and solution-oriented thinking.

While enhancing the quality of our services across both retail and corporate segments, we placed customer satisfaction at the heart of our operations.

The success that we achieved in this period was driven not only by strategic clarity but also by the dedication of our teams who brought that strategy to life on the ground. Supported by group synergies, we strengthened our competitiveness in international markets, while our sustainability vision and social responsibility mindset provided a strong foundation for our long-term goals.

We view this period not only as one of financial achievement, but also as one in which we reinforced our resilience and sharpened our strategic foresight. Looking ahead, we are fully aware of both the opportunities and the risks that lie ahead.

In the coming period, we will continue to generate value through trust and responsibility, in close collaboration with all our stakeholders.

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2025**

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

UNCONSOLIDATED INTERIM ACTIVITY REPORT (Continued)

I. Interim Unconsolidated Activity Report that Includes the Assessment of the Chairman of the Board of Directors and General Manager of Operations (Continued)

Message by the General Manager

Dear Shareholders,

The first quarter of 2025 was marked by significant volatility in the global economy, which had a considerable impact on financial markets. The United States' newly introduced trade policies, which include high and fluctuating tariffs, have disrupted the global trade order and increased uncertainty regarding future economic conditions. These policies, announced by the U.S.A., are expected to affect not only countries with strong trade ties to the U.S., particularly China, but also many others across the globe. On the other hand, the weakening of investor and consumer confidence due to market volatility has exerted downward pressure on the global economy, while higher tariffs are expected to contribute to rising inflation. These developments, which have limited the flexibility of monetary policymakers, have led to a more restrained outlook for global growth and triggered heightened financial market volatility.

In Türkiye, the Central Bank of the Republic of Türkiye (CBRT) implemented a series of measures to curb market volatility, including interventions in the foreign exchange and liquidity markets. At the Monetary Policy Committee (MPC) meeting held in April, the policy rate was raised to 46%, reinforcing the Bank's tight monetary stance. Looking ahead, with improving expectations and continued disinflation, a gradual easing in monetary policy is anticipated.

Despite this challenging environment, QNB Türkiye made a strong start to 2025. As of 31 March 2025, the bank's total assets grew by 13% compared to year-end 2024, reaching TL 1 trillion 701 billion 978 million. During the same period, net loans rose by 9% to TL 952 billion 428 million, while customer deposits increased by 16% to TL 957 billion 141 million. The bank's net profit for the first quarter of 2025 amounted to TL 11 billion 188 million.

While maintaining our focus on sustainable and profitable growth, we continued to invest in digitalization without pause. By developing solutions that place the customer experience at the center, we have made banking simpler, more accessible, and faster. At the same time, we further strengthened our support to the Turkish economy through our product offerings for SMEs and commercial clients. With this approach, we are not merely a financial institution—we are a strategic solution partner enabling digital and green transformation for our business stakeholders.

To deepen our contribution to the transformation of Turkish economy, we entered into a strategic partnership in the first quarter of the year with the Organized Industrial Zones Supreme Organization (OSBÜK). Through this collaboration, which spans industrial zones across Türkiye, we are offering financing solutions specifically designed to support green transformation investments. With new products such as the "The Greener You Are, The Lower Your Rate" loan model, we translate environmental impact into financial advantage. Additionally, through our Digital Bridge platform, we provide corporate clients with integrated services, including carbon footprint measurement and digital transformation consultancy.

Our approach to sustainable finance goes beyond product development, we also take action to help shape the market itself. In the first quarter of 2025, we successfully issued our first domestic sustainable bond in Türkiye, raising TL 250 million. The proceeds from this issuance are directed toward projects in areas such as renewable energy, energy efficiency, and social inclusion. Our goal is not only to provide financing, but also to drive meaningful change by allocating capital to areas that generate long-term impact.

In this important quarter, we also celebrated the 35th anniversary of our subsidiary, QNB Leasing. With long-term investment loans tailored to support sustainability-focused projects, QNB Leasing has further strengthened its role in the green transformation of the its clients. We continued to support Türkiye's economic development through both banking and non-banking solutions.

Our firm commitment to corporate sustainability was once again recognized at the international level. We were included in the Global A List of the Carbon Disclosure Project's (CDP) 2024 Climate Change and Water Security programs, highlighting our integration of environmental and social responsibility into the core of our business model.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

UNCONSOLIDATED INTERIM ACTIVITY REPORT (Continued)

I. Interim Unconsolidated Activity Report that Includes the Assessment of the Chairman of the Board of Directors and General Manager of Operations (Continued)

Message by the General Manager (Continued)

In the area of social impact, we successfully completed the “Export Academy for Women” program, designed to support women entrepreneurs in export and e-export. Reaching 694 participants, the program went beyond training, creating a meaningful impact area that contributes to gender equality. We view this success as a natural outcome of our inclusive development vision.

As the QNB brand continues to grow globally, we have focused on increasing consistency across all customer touchpoints while deepening the transformation within our corporate culture. We successfully completed all planned brand transformation milestones for the first quarter of 2025.

We remain committed to contributing to Türkiye’s economic and social development and to advancing with determination toward our strategic goals.

I would like to extend my sincere thanks to our employees, customers, business partners, and investors, whose efforts and trust continue to drive QNB Türkiye’s sustainable and profitable growth.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

UNCONSOLIDATED INTERIM ACTIVITY REPORT (Continued)

I. Interim Unconsolidated Activity Report that Includes the Assessment of the Chairman of the Board of Directors and General Manager of Operations (Continued)

Summary Financial Belonging to the Period of March 31, 2025

Principal Financial Indicators (Million TL)	March 31, 2025	December 31, 2024
Total Loans	952,428	870,388
Securities	288,132	281,578
Total Assets	1,701,978	1,511,870
Customer Deposits	957,141	822,653
Equity	127,926	119,001
	March 31, 2025	March 31, 2024
Net interest income	20,705	14,619
Net fees and commission income	15,579	9,676
Expected and Other Provisions	(7,929)	(1,543)
Profit before tax	14,767	10,110
Tax Provision	(3,579)	(247)
Net profit for the period	11,188	9,863

As of March 31, 2025, compared to 2024 year-end assets of the Bank increased by 13% and realized TL 1 trillion 701 billion and 978 million. In the same period, net loans increased by 9% to TL 952 billion 428 million and customer deposits by 16% to TL 957 billion 141 million.

In the first three months of 2025, the Bank's net interest income has reached TL 20 billion 705 million, while its net fee and commission income has been TL 15 billion 579 million. The Bank's profit before tax was TL 14 billion 767 million and its net profit for the period was TL 11 billion 188 million.

Total shareholders' equity increased by 7% compared with the end of the year and reached to TL 127 billion 926 million. The capital adequacy ratio of the Bank has been realized as 15.30% as of March 31, 2025.

As of March 31, 2025 the Bank has 12,037 personnel and 426 branches.

Information Regarding the Financial Status, Profitability and Solvency of the Bank

Assets

The bank which is continuing its customer-oriented activities in 2025, sustained to grow especially in corporate and commercial loans. As of March 31, 2025, total performing loans increased by 9% and reached TL 952 billion 428 million while total unconsolidated assets increased by 13% and reached TL 1 trillion 701 billion and 978 million compared to the end of the prior year.

Liabilities

As of March 31, 2025, the Bank's total customer deposits increased by 16% compared to the end of 2024 and reached TL 957 billion 141 million, while its shareholders' equity increased by 7% compared to the end of 2024 and reached TL 127 billion 926 million.

QNB BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

UNCONSOLIDATED INTERIM ACTIVITY REPORT (Continued)

I. Interim Unconsolidated Activity Report that Includes the Assessment of the Chairman of the Board of Directors and General Manager of Operations (Continued)

Profitability

In the first three months of 2025, the Bank's net interest income reached TL 20 billion 705 million, while its net fee and commission income was TL 15 billion 579 million. Net profit for the period was TL 11 billion 188 million.

The Bank operates with a total of 12,037 employees as of the reporting period.

Solvency

Due to its strong capital structure and high shareholders' equity profitability, the Parent Bank has a sound financial structure, Parent Bank has been utilizing of its capital efficiently for its banking activities and it maintains its profitability of shareholders' equity. When taking into consideration of its funding structure; Parent Bank is funding its credit facilities both by its large basis of deposits as well as by utilization of long-term external sources, Parent Bank has a quite great cost advantage due to benefiting from such various funding resources and at the same time it is minimizing the risks probable to occur due to differences in the maturity dates. As having a significant place in the Turkish financial markets; QNB Bank with its strong financial structure also proves its credibility by the high ratings it received from the independent rating firms.

General Grants realized during the Period

General grants realized as of March 31, 2025 was TL 2.182.

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