

HAYAT FİNANS KATILIM BANKASI A.Ş.

**CONSOLIDATED FINANCIAL STATEMENTS
AND NOTES FOR THE YEAR ENDED 31 DECEMBER 2025
WITH INDEPENDENT AUDITOR'S REPORT**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Hayat Finans Katılım Bankası Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Hayat Finans Katılım Bankası A.Ş. (the "Bank"), and its subsidiary (collectively referred to as the "Group") which comprise the statement of consolidated balance sheet as at 31 December 2025, consolidated statements of profit and loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Opinion

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA and applicable to audits of consolidated financial statements of public interest entities, the ethical requirements regarding independent audit in regulations issued by the POA as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

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



Key Audit Matter	How the key audit matter was addressed in the audit
<p>Expected credit losses for loans and receivables</p> <p>The Bank has total loans amounting to TL 13,772,911 thousand which represent a significant portion of the Bank's total assets and expected credit losses for loans amounting to TL 123,617 thousand in its consolidated financial statements as at 31 December 2025. Explanations and footnotes regarding loans and receivables and the expected loss provisions are included in the footnotes numbered Section Three 8, Section Four 2 and 10, Section Five 1.5 of the accompanying consolidated financial statements as of December 31, 2025.</p> <p>The Bank recognizes expected loss provisions in accordance with the "IFRS 9 Financial Instruments Standard" ("IFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750.</p> <p>To determine the expected loss provisions as of December 31, 2025, the Bank determines the stage of the loans within the framework of the current regulations by making quantitative and qualitative assessments and detecting a significant increase in credit risk and a default event.</p> <p>Our audit was focused on this area due to existence of significant judgement and estimates in the expected credit loss assessment such as, historical loss experiences, current conditions, macro-economic expectations, development and weighting of macro-economic scenarios; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p>	<p>With respect to stage classification of loans and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Bank within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.</p> <p>We checked appropriateness of matters considered in methodology applied by the Bank with IFRS 9 for calculation of the provision amount through stage classification of loans. For forward looking assumptions made by the Bank's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, exposure at default model, loss given default model and the approaches to reflecting reasonable and supportable forward looking expectations (including macroeconomic factors) with our financial risk experts. Our procedures also included the following:</p> <ul style="list-style-type: none"> • Together with our financial risk experts, we evaluated and tested on a sample basis reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used. • We checked the sources of data used in the expected credit loss models used by the Bank to determine the provision. We tested the reliability and completeness of the data used in expected loss provision calculation. • We checked accuracy of final expected credit losses calculations. <p>To assess appropriateness of the Bank's determination of staging for credit risk, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures. We evaluated the adequacy and accuracy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans.</p>



4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2025 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2025. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özge Arslan Yılmaz, SMMM
Independent Auditor

Istanbul, 23 February 2026

SECTION ONE

GENERAL INFORMATION

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

SECTION TWO

THE CONSOLIDATED FINANCIAL STATEMENTS

I.	Consolidated balance sheet (Statement of financial position)	3-4
II.	Consolidated statement of off-balance sheet items	5
III.	Consolidated profit or loss statement (Income statement)	6
IV.	Consolidated statement of profit or loss and other comprehensive income	7
V.	Consolidated statement of changes in shareholders' equity	8-9
VI.	Consolidated statement of cash flows	10
VII.	The Parent Bank's profit distribution table	11

SECTION THREE

ACCOUNTING PRINCIPLES

I.	Explanations on basis of presentation	12-13
II.	Explanations on strategy of using financial instruments and foreign currency transactions	13
III.	Explanations on forward transactions and option contracts and derivative instruments	13
IV.	Explanations on profit share income and expense	13
V.	Information on associates and subsidiaries and entities under common control	14
VI.	Explanations on fees and commission income and expenses	14
VII.	Explanations on financial assets	15-16
VIII.	Explanations on impairment of financial assets	17-18
IX.	Explanations on offsetting of financial assets and liabilities	19
X.	Explanations on sale and repurchase agreements and lending of securities	19
XI.	Explanations on assets held for sale and discontinued operations and related liabilities	19
XII.	Explanations on goodwill and other intangible assets	19
XIII.	Explanations on tangible assets	20
XIV.	Explanations on leasing transactions	20-21
XV.	Explanations on provisions and contingent liabilities	21
XVI.	Explanations on liabilities relating to employee benefits	21
XVII.	Explanations on taxation	22-24
XVIII.	Explanations on additional disclosures on borrowings	24
XIX.	Explanations on share certificates issued	24
XX.	Explanations on acceptances and availed drafts	24
XXI.	Explanations on government grants	24
XXII.	Explanations on segment reporting	24
XXIII.	Explanations on other matters	24

SECTION FOUR

INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I.	Explanations on consolidated equity items	25-29
II.	Explanations and disclosures related to consolidated credit risk	29-39
III.	Explanations on consolidated currency risk	39-40
IV.	Explanations related to consolidated stock position risk	41
V.	Explanations on consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio	41-48
VI.	Explanations on consolidated leverage ratio	48
VII.	Explanations on fair values of financial assets and liabilities	49
VIII.	Explanations on the activities carried out on behalf and account of other persons, fiduciary-based transactions	49
IX.	Explanations on consolidated hedge accounting practices	49
X.	Explanations on consolidated risk management	49-61
XI.	Explanations on consolidated securitization positions	62
XII.	Explanations on consolidated qualitative explanations on market risk	62-64
XIII.	Explanations on consolidated business segments	65

SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I.	Explanations and notes related to consolidated assets	66-78
II.	Explanations and notes related to consolidated liabilities	79-85
III.	Explanations and notes related to consolidated off-balance sheet contingencies and commitments	86-88
IV.	Explanations and notes related to the consolidated statement of income	89-93
V.	Explanations and notes related to consolidated statement of changes in shareholders' equity	94
VI.	Explanations and notes related to consolidated cash flow statement	95
VII.	Explanations and notes related to consolidated the risk group of the Group	96-97
VIII.	Explanations and notes consolidated group in domestic, foreign and offshore branches or equity investments and foreign representative offices	97
IX.	Significant events and matters arising subsequent to balance sheet date	97

SECTION SIX

OTHER EXPLANATIONS

I.	Other explanations regarding the Parent Bank's activities	98
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SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I.	Explanations on independent auditor's report	98
II.	Notes and disclosures prepared by the independent auditors	98



**THE CONSOLIDATED FINANCIAL REPORT OF
HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
FOR THE YEAR ENDED 31 DECEMBER 2025**

Address of the Parent Bank's Headquarters : Mahir İz Cad., No: 25, 34662 Altunizade Üsküdar / İstanbul
Telephone of the Parent Bank : 0 850 224 29 28
Web site of the Parent Bank : www.hayatfinans.com.tr
E-mail for correspondence : hayatfinans@hayatfinans.com.tr

The consolidated interim financial report for the year-end includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- General Information About The Parent Bank
- Consolidated Financial Statements of The Parent Bank
- Explanations on Accounting Policies
- Information Related to Consolidated Financial Position and Risk Management
- Explanations and Notes Related to Consolidated Financial Statements
- Other Explanations
- Independent Auditor's Report

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

	Subsidiaries	Associates	Jointly Controlled Partners
1.	Hayat Varlık Kiralama A.Ş.	-	-

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

Ahmet Yahya KİÇİLİ
Chairman of
Board of Directors

Osman AKYÜZ
Chairman of the Audit
Committee

Oğuz KAYHAN
Member of the Audit
Committee

Galip KARAGÖZ
General Manager

Özgür BİLGİLİ
Treasury and Financial Affairs
Deputy General Manager

Erkan AKGÜZEL
Reporting and
Financial Control
Manager

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

Name-Surname/Title : Erkan AKGÜZEL Reporting and Financial Control Manager
Telephone Number : 0 216 554 44 66

Hayat Finans Katılım Bankası A.Ş.

Mahir İz Cad. No: 25 34662 Altunizade, Üsküdar, İstanbul T +90 216 939 60 00
Ticari Sicil No: 398720-5 Mersis No: 0460 1078 9720 0001

hayatfinans.com.tr

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 31 DECEMBER 2025

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

SECTION ONE

GENERAL INFORMATION

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

Hayat Finans Katılım Bankası A.Ş. ("The Parent Bank"), with the BRSA decision numbered 10165 dated April 21, 2022, has obtained establishment permission to operate in accordance with the operating principles for digital banks in the BRSA's Regulation on the Operating Principles of Digital Banks and Service Model Banking by completing the company establishment procedures dated August 10, 2022, the Parent Bank has completed registration its title as Hayat Finans Katılım Bankası A.Ş. The Parent bank became the first digital participation bank to obtain an operating license in Türkiye with the BRSA decision dated March 23, 2023 and numbered 10543. Main field of operation is, in addition to the Parent Bank's equity, to collect funds from domestic and foreign customers through "Current Accounts" and "Profit/ Loss Sharing Accounts" and allocate such funds to the economy, to perform all kinds of financing activities in accordance with the regulations, to encourage the investments of all individuals and legal entities operating in agricultural, industrial, trading and service industries, participating into the operations of these entities or individuals and to form joint business partnerships and to perform all these activities in a non-interest environment.

The Parent Bank has informed that it has actually started banking activities with the letter it has written to the BRSA dated August 7, 2023 and numbered DYZ-2023-GM-33/413.

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

As of 31 December 2025, 55.00000% of the Parent Bank's shares belong to Hayat Kimya Sanayi Anonim Şirketi, 24.99985% to Kastamonu Entegre Ağaç Sanayi Ticaret Anonim Şirketi, 20.00005% to Hayat Holding Anonim Şirketi and 0.00010% to other legal entities.

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

Name ¹	Title	Date of Assignment	Date of Audit Committee Assignments	Audit Committee End Date	Educational Degree	Ownership Percentage
Ahmet Yahya KİĞİLİ	Chairman of the Board	24.04.2023	-	-	-	-
Mehmet Avni KİĞİLİ	Deputy Chairman of the Board of Directors	24.04.2023	-	-	-	-
Murat ULUS	Executive Board Member	24.04.2023	-	-	Postgraduate	-
Osman AKYÜZ	Member of the Board of Directors and Chairman of the Audit Committee	24.04.2023	30.03.2023	-	Graduate	-
Oğuz KAYHAN	Member of the Board of Directors and Member of the Audit Committee	24.04.2023	30.03.2023	-	PhD	-
Soner CANKO	Member of the Board	24.04.2023	-	-	PhD	-
Galip KARAGÖZ	Member of the Board of Directors and General Manager	19.09.2024 / 12.12.2024	-	-	Postgraduate	-
Özgür BİLGİLİ	Assistant General Manager for Treasury and Financial Affairs	22.05.2024	-	-	Postgraduate	-
Özer BARAN	Assistant General Manager for Credits Analytics and Policies	16.08.2022	-	-	Postgraduate	-
Cevdet YILMAZ ²	Assistant General Manager of Information Systems and Banking Operations	15.04.2025	-	-	Postgraduate	-
Alper DAYI ³	Assistant General Manager of Corporate Banking	03.09.2025	-	-	Postgraduate	-

¹Mehmet Necati Özdeniz, who was acting as Deputy General Manager of Retail Banking, resigned from his position on February 5, 2025.

²Alper Dayı was appointed as Deputy General Manager of Corporate Banking by the decision of the general manager dated September 3, 2025.

³Cevdet Yılmaz was appointed as Deputy General Manager of Information Systems and Banking Operations by the board of directors decision dated April 15, 2025.

Share of the Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Assistants of the Bank in the Parent Bank's capital

None (31 December 2024 - None).

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 31 DECEMBER 2025

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

4. Information on Parent Bank’s qualified shareholders

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Hayat Kimya Sanayi A.Ş.	2,475,000	55.00000%	2,475,000	-
Kastamonu Entegre Ağaç Sanayi Ticaret A.Ş	1,124,993	24.99985%	1,124,993	-
Hayat Holding A.Ş.	900,002	20.00005%	900,002	-
Other	5	0.00010%	5	-
Total	4,500,000	100.00%	4,500,000	-

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

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

As of 31 December 2025, the Parent Bank is operating with 306 personnel (31 December 2024 – 365). Summary of some of the Bank’s operations described in the Articles of Association are as follows:

- To collect funds through “Current Accounts” and “Profit/Loss Sharing Accounts” and special fund pools in line with the regulations,
- To allocate funds to the economy and provide all kinds of cash, non-cash loans within the principles of non-interest banking,
- To offer financial and operational leasing,
- To handle all kinds of deposits and payments, including travelers’ checks, credit cards and other payment instruments, provide member business services, consulting, advisory,
- To purchase financial instruments on money and capital markets in cash or installments, sell and mediate the sale and trade on the stock exchange in accordance with legislation and principles of non-interest banking,
- To act as a representative, deputy or agent for corporations and enterprises (including insurance companies), to provide private pension intermediary services,
- Providing investment consultancy, wealth management and financial planning consultancy on management, technical and financial issues,
- Regarding banking activities by obtaining the necessary permits; To provide support services to its subsidiaries, other banks, financial institutions, financial technology companies and other companies,
- To buy and sell money market instruments spot or forward, and to act as an intermediary in their buying and selling,
- To carry out all kinds of foreign exchange transactions, to buy, sell, import and export gold, silver, other precious metals, precious stones and metals, to be a member of the precious metal and metal exchanges that have been established or to be established, and to trade in these exchanges,
- Domestic or foreign companies and organizations related to the purpose and scope of the business; to act as a representative, proxy and agency and to engage in all kinds of commission works,
- To provide social aid in accordance with the principles and principles of deposit and participation banking

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

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

None.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2025

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

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

	ASSETS	Notes Section V	Current Period 31.12.2025			Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		6,885,876	2,707,056	9,592,932	2,161,283	1,690,939	3,852,222
1.1.	Cash and Cash Equivalents		1,948,615	2,346,779	4,295,394	544,198	1,585,278	2,129,476
1.1.1.	Cash and Balances with Central Bank	(1.1.)	1,948,359	1,950,043	3,898,402	140,178	1,283,917	1,424,095
1.1.2.	Banks	(1.3.)	594	397,314	397,908	467	301,597	302,064
1.1.3.	Money Markets Placements		-	-	-	403,577	-	403,577
1.1.4.	Expected Credit Loss (-)		(338)	(578)	(916)	(24)	(236)	(260)
	Financial Assets at Fair Value Through Profit or Loss	(1.2.)	1,229,893	-	1,229,893	820,835	-	820,835
1.2.1.	Government Debt Securities		-	-	-	-	-	-
1.2.2.	Equity Instruments		-	-	-	-	-	-
1.2.3.	Other Financial Assets		1,229,893	-	1,229,893	820,835	-	820,835
	Financial Assets at Fair Value Through Other Comprehensive Income	(1.4.)	3,705,208	360,202	4,065,410	790,116	105,661	895,777
1.3.1.	Government Debt Securities		3,684,077	360,202	4,044,279	565,829	105,661	671,490
1.3.2.	Equity Instruments		20,090	-	20,090	15,590	-	15,590
1.3.3.	Other Financial Assets		1,041	-	1,041	208,697	-	208,697
1.4.	Derivative Financial Assets		2,160	75	2,235	6,134	-	6,134
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(1.2.)	2,160	75	2,235	6,134	-	6,134
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(1.11.)	-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COSTS (Net)		11,124,784	2,524,510	13,649,294	5,517,784	1,983,694	7,501,478
2.1.	Loans	(1.5.)	11,208,640	2,564,271	13,772,911	5,575,869	1,921,991	7,497,860
2.2.	Leasing Receivables	(1.10.)	-	-	-	-	-	-
	Other Financial Assets Measured at Amortized Cost	(1.6.)	-	-	-	-	69,798	69,798
2.3.1.	Government Debt Securities		-	-	-	-	69,798	69,798
2.3.2.	Other Financial Assets		-	-	-	-	-	-
2.4.	Expected Credit Loss (-)		(83,856)	(39,761)	(123,617)	(58,085)	(8,095)	(66,180)
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)	(1.16.)	-	-	-	-	-	-
3.1.	Held For Sale		-	-	-	-	-	-
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		80,000	-	80,000	22,000	-	22,000
4.1.	Investments in Associates (Net)	(1.7.)	-	-	-	-	-	-
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		-	-	-	-	-	-
4.2.	Investment in Subsidiaries (Net)	(1.8.)	80,000	-	80,000	22,000	-	22,000
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Subsidiaries		80,000	-	80,000	22,000	-	22,000
4.3.	Investment in Joint Ventures (Net)	(1.9.)	-	-	-	-	-	-
	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.1.	Method		-	-	-	-	-	-
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(1.12.)	173,808	-	173,808	172,184	-	172,184
VI.	INTANGIBLE ASSETS (Net)	(1.13.)	631,670	-	631,670	382,354	-	382,354
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		631,670	-	631,670	382,354	-	382,354
VII.	INVESTMENT PROPERTIES (Net)	(1.14.)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSETS		39,971	-	39,971	16,403	-	16,403
IX.	DEFERRED TAX ASSETS	(1.15.)	767,118	-	767,118	409,230	-	409,230
X.	OTHER ASSETS	(1.17.)	239,012	5,644	244,656	164,817	3,587	168,404
	TOTAL ASSETS		19,942,239	5,237,210	25,179,449	8,846,055	3,678,220	12,524,275

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2025

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

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

	LIABILITIES	Notes Section V	Current Period 31.12.2025			Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
I.	FUNDS COLLECTED	(2.1.)	12,702,885	6,127,667	18,830,552	6,814,403	2,668,567	9,482,970
II.	FUNDS BORROWED	(2.3.)	-	-	-	-	-	-
III.	MONEY MARKETS	(2.3.)	300,316	-	300,316	-	-	-
IV.	SECURITIES ISSUED (Net)	(2.4.)	1,587,762	-	1,587,762	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES		6,366	-	6,366	10,398	-	10,398
6.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(2.2.)	6,366	-	6,366	10,398	-	10,398
6.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(2.7.)	-	-	-	-	-	-
VII.	LEASE PAYABLES (Net)	(2.6.)	24,875	-	24,875	22,660	-	22,660
VIII.	PROVISIONS	(2.8.)	22,823	38,011	60,834	33,094	15,988	49,082
8.1.	Restructuring Provision		-	-	-	-	-	-
8.2.	Reserves For Employee Benefits		21,132	-	21,132	26,271	-	26,271
8.3.	Insurance For Technical Provision (Net)		-	-	-	-	-	-
8.4.	Other Provisions		1,691	38,011	39,702	6,823	15,988	22,811
IX.	CURRENT TAX LIABILITIES	(2.9.)	104,925	-	104,925	69,127	-	69,127
X.	DEFERRED TAX LIABILITIES	(1.15.)	-	-	-	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(2.10.)	-	-	-	-	-	-
11.1.	Held For Sale		-	-	-	-	-	-
11.2.	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(2.11.)	-	-	-	-	-	-
12.1.	Loans		-	-	-	-	-	-
12.2.	Other Debt Instruments		-	-	-	-	-	-
XIII.	OTHER LIABILITIES	(2.5.)	196,875	138,862	335,737	192,588	44,683	237,271
XIV.	SHAREHOLDERS' EQUITY	(2.12.)	3,910,013	18,069	3,928,082	2,652,605	162	2,652,767
14.1.	Paid-in Capital		4,500,000	-	4,500,000	3,000,000	-	3,000,000
14.2.	Capital Reserves		-	-	-	-	-	-
14.2.1.	Share Premiums		-	-	-	-	-	-
14.2.2.	Share Cancellation Profits		-	-	-	-	-	-
14.2.3.	Other Capital Reserves		-	-	-	-	-	-
14.3.	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		-	-	-	-	-	-
14.4.	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		36,863	18,069	54,932	1,378	162	1,540
14.5.	Profit Reserves		91,251	-	91,251	91,251	-	91,251
14.5.1.	Legal Reserves		4,563	-	4,563	4,563	-	4,563
14.5.2.	Statutory Reserves		-	-	-	-	-	-
14.5.3.	Extraordinary Reserves		86,688	-	86,688	86,688	-	86,688
14.5.4.	Other Profit Reserves		-	-	-	-	-	-
14.6.	Profit or Loss		(718,101)	-	(718,101)	(440,024)	-	(440,024)
14.6.1.	Prior Years' Profits or Losses		(440,024)	-	(440,024)	-	-	-
14.6.2.	Current Period Net Profit or Loss		(278,077)	-	(278,077)	(440,024)	-	(440,024)
14.7.	Minority Shares		-	-	-	-	-	-
	TOTAL LIABILITIES AND EQUITY		18,856,840	6,322,609	25,179,449	9,794,875	2,729,400	12,524,275

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2025

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

2. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

	Notes Section V	Current Period 31.12.2025			Prior Period 31.12.2024		
		TL	FC	Total	TL	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I+II+III)	2,490,643	3,881,037	6,371,680	2,044,542	3,010,240	5,054,782
I.	GUARANTEES AND WARRANTIES	(3.1.)	395,188	2,108,131	2,503,319	465,156	1,489,966
1.1.	Letters of Guarantee	390,550	1,957,819	2,348,369	465,156	1,368,295	1,833,451
1.1.1.	Guarantees Subject to State Tender Law	-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations	-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee	390,550	1,957,819	2,348,369	465,156	1,368,295	1,833,451
1.2.	Bank Loans	-	-	-	-	-	-
1.2.1.	Import Letter of Acceptances	-	-	-	-	-	-
1.2.2.	Other Bank Acceptances	-	-	-	-	-	-
1.3.	Letters of Credit	-	150,312	150,312	-	121,671	121,671
1.3.1.	Documentary Letters of Credit	-	150,312	150,312	-	121,671	121,671
1.3.2.	Other Letters of Credit	-	-	-	-	-	-
1.4.	Guaranteed Refinancing	-	-	-	-	-	-
1.5.	Endorsements	-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Türkiye	-	-	-	-	-	-
1.5.2.	Other Endorsements	-	-	-	-	-	-
1.6.	Other Guarantees	4,638	-	4,638	-	-	-
1.7.	Other Warrantees	-	-	-	-	-	-
II.	COMMITMENTS	1,692,242	1,372,873	3,065,115	414,225	354,650	768,875
2.1.	Irrevocable Commitments	1,692,242	1,372,873	3,065,115	414,225	354,650	768,875
2.1.1.	Forward Asset Purchase and Sales Commitments	1,322,518	1,372,873	2,695,391	349,736	354,650	704,386
2.1.2.	Share Capital Commitment to Associates and Subsidiaries	-	-	-	62,500	-	62,500
2.1.3.	Loan Granting Commitments	146,194	-	146,194	-	-	-
2.1.4.	Securities Underwriting Commitments	-	-	-	-	-	-
2.1.5.	Commitments For Reserve Deposits Requirements	-	-	-	-	-	-
2.1.6.	Payment Commitments for Checks	-	-	-	-	-	-
2.1.7.	Tax and Fund Liabilities from Export Commitments	-	-	-	-	-	-
2.1.8.	Commitments For Credit Card Expenditure Limits	198,952	-	198,952	59	-	59
2.1.9.	Commitments For Credit Cards and Banking Services Promotions	-	-	-	-	-	-
2.1.10.	Receivables From Short Sale Commitments	-	-	-	-	-	-
2.1.11.	Payables For Short Sale Commitments	-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments	24,578	-	24,578	1,930	-	1,930
2.2.	Revocable Commitments	-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments	-	-	-	-	-	-
2.2.2.	Other Revocable Commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(3.2.)	403,213	400,033	803,246	1,165,161	1,165,624
3.1	Derivative Financial Instruments Held for Risk Management	-	-	-	-	-	-
3.1.1	Fair Value Hedges	-	-	-	-	-	-
3.1.2	Cash Flow Hedges	-	-	-	-	-	-
3.1.3	Hedge of Net Investment in Foreign Operations	-	-	-	-	-	-
3.2	Held For Trading Transactions	403,213	400,033	803,246	1,165,161	1,165,624	2,330,785
3.2.1	Forward Foreign Currency Buy/Sell Transactions	-	-	-	-	-	-
3.2.1.1	Forward Foreign Currency Buy Transactions	-	-	-	-	-	-
3.2.1.2	Forward Foreign Currency Sell Transactions	-	-	-	-	-	-
3.2.2	Other Forward Buy/Sell Transactions	403,213	400,033	803,246	1,165,161	1,165,624	2,330,785
3.3	Other	-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	189,210,006	346,868	189,556,874	87,981,132	182,770	88,163,902
IV.	ITEMS HELD IN CUSTODY	5,123,761	346,868	5,470,629	1,353,301	182,770	1,536,071
4.1.	Customers' Securities Held	-	-	-	-	-	-
4.2.	Investment Securities Held in Custody	1,005,104	-	1,005,104	494,802	-	494,802
4.3.	Checks Received for Collection	438,741	4,068	442,809	190,449	6,359	196,808
4.4.	Commercial Notes Received for Collection	-	-	-	-	-	-
4.5.	Other Assets Received for Collection	-	-	-	-	-	-
4.6.	Assets Received for Public Offering	-	-	-	-	-	-
4.7.	Other Items Under Custody	-	-	-	-	-	-
4.8.	Custodians	3,679,916	342,800	4,022,716	668,050	176,411	844,461
V.	PLEDGED ITEMS	184,073,245	-	184,073,245	86,627,831	-	86,627,831
5.1.	Marketable Securities	250	-	250	250	-	250
5.2.	Guarantee Notes	-	-	-	-	-	-
5.3.	Commodity	1,820,116	-	1,820,116	1,242,637	-	1,242,637
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	823,995	-	823,995	856,195	-	856,195
5.6.	Other Pledged Items	181,426,499	-	181,426,499	84,521,199	-	84,521,199
5.7.	Pledged Items-Depository	2,385	-	2,385	7,550	-	7,550
VI.	ACCEPTED GUARANTEES AND WARRANTIES	13,000	-	13,000	-	-	-
	TOTAL OFF BALANCE SHEET ITEMS (A+B)	191,700,649	4,227,905	195,928,554	90,025,674	3,193,010	93,218,684

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (INCOME STATEMENT) AS OF 31 DECEMBER 2025

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

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

	Notes Section V	Current Period 31 Jan- 31 Dec 2025	Prior Period 31 Jan- 31 Dec 2024
PROFIT AND LOSS TABLE			
I.	PROFIT SHARE INCOME	4,598,354	1,709,721
1.1.	Profit Share on Loans	3,244,588	1,394,776
1.2.	Profit Share on Reserve Deposits	367,281	872
1.3.	Profit Share on Banks	20,441	20,203
1.4.	Profit Share on Money Market Placements	262,897	106,398
1.5.	Profit Share on Marketable Securities Portfolio	701,188	186,706
1.5.1.	Fair Value Through Profit or Loss	7,097	843
1.5.2.	Fair Value Through Other Comprehensive Income	663,670	179,012
1.5.3.	Measured at Amortised Cost	30,421	6,851
1.6.	Finance Lease Income	-	-
1.7.	Other Profit Share Income	1,959	766
II.	PROFIT SHARE EXPENSE (-)	3,994,190	1,471,114
2.1.	Expense on Profit Sharing Accounts	3,765,760	1,466,099
2.2.	Profit Share Expense on Funds Borrowed	1,540	523
2.3.	Profit Share Expense on Money Market Borrowings	25,605	-
2.4.	Profit Share Expense on Securities Issued	191,228	-
2.5.	Profit Share Expense on Leasing	10,057	4,487
2.6.	Other Profit Share Expenses	-	5
III.	NET PROFIT SHARE INCOME/EXPENSE (I- II)	604,164	238,607
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	23,263	(12,877)
4.1.	Fees And Commissions Received	60,446	8,528
4.1.1.	Non-Cash Loans	20,908	5,042
4.1.2.	Other	39,538	3,486
4.2.	Fees And Commissions Paid (-)	37,183	21,405
4.2.1.	Non-Cash Loans	56	43
4.2.2.	Other	37,127	21,362
V.	DIVIDEND INCOME	(4.3.)	-
VI.	NET TRADING INCOME / LOSS	(4.5.)	692,644
6.1.	Capital Market Transaction Gains/Losses	410,546	442,650
6.2.	Gains/Losses from Derivative Financial Instruments	60,063	(4,931)
6.3.	Foreign Exchange Gains/Losses	222,035	45,630
VII.	OTHER OPERATING INCOME	(4.6.)	71,125
VIII.	GROSS OPERATING PROFIT (III-IV-V-VI-VII)	1,391,196	710,533
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	(4.7.)	165,735
X.	OTHER PROVISIONS (-)	(4.7.)	26,489
XI.	PERSONNEL EXPENSES (-)	(4.8.)	1,018,471
XII.	OTHER OPERATING EXPENSES (-)	(4.8.)	839,341
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)	(658,840)	(797,432)
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-	-
XV.	INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-	-
XVI.	INCOME / (LOSS) ON NET MONETARY POSITION	-	-
XVII.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(4.9.)	(658,840)
XVIII.	PROVISION FROM TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(4.10.)	380,763
18.1.	Current Tax Provision	7	-
18.2.	Deferred Tax Income Effect (+)	26,601	37,924
18.3.	Deferred Tax Expense Effect (-)	407,371	395,332
XIX.	CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII+XVIII)	(4.11.)	(278,077)
XX.	INCOME FROM DISCONTINUED OPERATIONS	-	-
20.1.	Income on Non-Current Assets Held for Sale	-	-
20.2.	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)	-	-
20.3.	Income on Other Discontinued Operations	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)	-	-
21.1.	Expenses From Non-Current Assets Held for Sale	-	-
21.2.	Expenses From Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)	-	-
21.3.	Expenses From Other Discontinued Operations	-	-
XXII.	PROFIT / LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-	-
23.1.	Current Tax Provision	-	-
23.2.	Deferred Tax Expense Effect (+)	-	-
23.3.	Deferred Tax Income Effect (-)	-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)	-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	(4.12.)	(278,077)
25.1.	Group's Profit / Loss	(278,077)	(440,024)
25.2.	Minority Interest Profit/Loss (-)	-	-
	Earnings Per Share Income/Loss	(0.0699)	(0.2491)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2025

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

4. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Current Period 31 Jan- 31 Dec 2025	Prior Period 31 Jan- 31 Dec 2024
I.	CURRENT PROFIT (LOSS)	(278,077)	(440,024)
II.	OTHER COMPREHENSIVE INCOME	53,392	1,551
2.1	Other Comprehensive Income Not Reclassified Through Profit or Loss	-	-
2.1.1	Property And Equipment Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Taxes Related to Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2	Other Comprehensive Income Reclassified Through Profit or Loss	53,392	1,551
2.2.1	Foreign Currency Translation Difference	-	-
2.2.2	Valuation And/Or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	76,274	2,216
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Taxes Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(22,882)	(665)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	(224,685)	(438,473)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2025

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

5. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

		Paid-in Capital	Share Premiums	Share Cancellation profits	Other Capital Reserves	Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Losses for the Period	Total Shareholders' Equity Less Minority Shares	Minority Share	Total Shareholders' Equity	
						1	2	3	4	5	6							
	Current Period (01/01/2025 – 31/12/2025)																	
I.	Prior Period Ending Balance	3,000,000	-	-	-	-	-	-	-	1,540	-	91,251	-	(440,024)	2,652,767	-	2,652,767	
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effect of Changes In Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Beginning Balance (I+II)	3,000,000	-	-	-	-	-	-	-	1,540	-	91,251	-	(440,024)	2,652,767	-	2,652,767	
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	-	53,392	-	-	-	(278,077)	(224,685)	-	(224,685)	
V.	Capital Increase by Cash	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000	
VI.	Capital Increase by Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase / Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	(440,024)	440,024	-	-	-	-	
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers To Legal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	(440,024)	440,024	-	-	-	-	
	Balances at end of the period (III+IV+.....+X+XI)	4,500,000	-	-	-	-	-	-	-	54,932	-	91,251	(440,024)	(278,077)	3,928,082	-	3,928,082	

1. Accumulated revaluation increase/ decrease of fixed assets,

2. Accumulated remeasurement gain/ loss of defined benefit pension plan,

3. Other (Shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)

4. Foreign currency translation differences

5. Accumulated revaluation and/ or remeasurement gain/ loss of the financial asset at fair value through other comprehensive income,

6. Other (Cash flow hedge gain/ loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss.)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2025

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

5. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

		Paid-in Capital	Share Premiums	Share Cancellation profits	Other Capital Reserves	Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Losses for the Period	Total Shareholders' Equity Less Minority Shares	Minority Share	Total Shareholders' Equity	
						1	2	3	4	5	6							
	Prior Period (01/01/2024 – 31/12/2024)																	
I.	Prior Period Ending Balance	1,500,000	-	-	-	-	-	-	-	(11)	-	29,076	-	62,175	1,591,240	-	1,591,240	
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effect of Changes In Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Beginning Balance (I+II)	1,500,000	-	-	-	-	-	-	-	(11)	-	29,076	-	62,175	1,591,240	-	1,591,240	
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	-	1,551	-	-	-	(440,024)	(438,473)	-	(438,473)	
V.	Capital Increase by Cash	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000	
VI.	Capital Increase by Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase / Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	62,175	-	(62,175)	-	-	-	
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers To Legal Reserves	-	-	-	-	-	-	-	-	-	-	62,175	(62,175)	-	-	-	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	62,175	(62,175)	-	-	-	
	Balances at end of the period (III+IV+.....+X+XI)	3,000,000	-	-	-	-	-	-	-	1,540	-	91,251	-	(440,024)	2,652,767	-	2,652,767	

1. Accumulated revaluation increase/ decrease of fixed assets,

2. Accumulated remeasurement gain/ loss of defined benefit pension plan,

3. Other (Shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)

4. Foreign currency translation differences

5. Accumulated revaluation and/ or remeasurement gain/ loss of the financial asset at fair value through other comprehensive income,

6. Other (Cash flow hedge gain/ loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss.)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOW AS OF 31 DECEMBER 2025

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

6. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note Section V	Current Period 31 Jan- 31 Dec 2025	Prior Period 31 Jan- 31 Dec 2024
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Assets And Liabilities From Banking Operations	(1,207,258)	(1,195,212)
1.1.1	Profit Share Income Received	4,095,611	1,286,332
1.1.2	Profit Share Expense Paid	(3,784,624)	(1,285,586)
1.1.3	Dividends Received	-	-
1.1.4	Fees And Commissions Received	98,228	38,263
1.1.5	Other Income	118,356	179,635
1.1.6	Collections From Previously Written Off Loans	21,376	301
1.1.7	Payments to Personnel And Service Suppliers	(1,667,074)	(1,355,258)
1.1.8	Taxes Paid	-	-
1.1.9	Others	(6.3.) (89,131)	(58,899)
1.2	Changes in Assets And Liabilities From Banking Operations	2,055,043	2,304,746
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	-	701,171
1.2.2	Net (Increase) Decrease in Due From Banks And Other Financial Institutions	(1,019,348)	(527,479)
1.2.3	Net (Increase) Decrease in Loans	(6,436,864)	(5,961,542)
1.2.4	Net (Increase) Decrease in Other Assets	(6.3.) (115,448)	(88,550)
1.2.5	Net Increase (Decrease) in Bank Deposits	-	-
1.2.6	Net Increase (Decrease) in Other Deposits	9,236,152	8,013,051
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	-	-
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(6.3.) 390,551	168,095
I.	Net Cash Provided From / (Used in) Banking Operations	847,785	1,109,534
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided From / (Used in) Investing Activities	(2,958,711)	(1,140,861)
2.1	Cash Paid For Purchase Jointly Controlled Operations, Associates And Subsidiaries	(58,000)	(22,000)
2.2	Cash Obtained From Sale of Jointly Controlled Operations, Associates And Subsidiaries	-	-
2.3	Fixed Assets Purchases	(350,910)	(367,036)
2.4	Fixed Assets Sales	-	-
2.5	Cash Paid For Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(3,278,196)	(1,204,320)
2.6	Cash Obtained From Sale of Financial Assets at Fair Value Through Other Comprehensive Income	645,792	450,050
2.7	Cash Paid For Purchase of Investment Securities	(240,000)	(20,349)
2.8	Cash Obtained From Sale of Investment Securities	322,603	22,794
2.9	Other	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided From / (Used in) Financing Activities	2,986,567	1,493,477
3.1	Cash Obtained From Funds Borrowed And Securities Issued	2,500,000	-
3.2	Cash Used For Repayment of Funds Borrowed And Securities Issued	(1,000,000)	-
3.3	Capital Increase	1,500,000	1,500,000
3.4	Dividends Paid	-	-
3.5	Payments For Finance Leases	(13,433)	(6,523)
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash And Cash Equivalents	(6.3.) 115,554	17,645
V.	Net Increase (Decrease) in Cash And Cash Equivalents	991,195	1,479,795
VI.	Cash And Cash Equivalents at The Beginning of The Period	(6.1.) 1,531,546	51,751
VII.	Cash And Cash Equivalents at The End of The Period	(6.1.) 2,522,741	1,531,546

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

THE PARENT BANK'S STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2025

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

7. PROFIT DISTRIBUTION TABLE

		Current Period 31 Jan- 31 Dec 2025 ¹	Prior Period 31 Jan- 31 Dec 2024
I.	DISTRIBUTION OF CURRENT PERIOD PROFIT		
1.1	CURRENT YEAR'S PROFIT	(658,856)	(797,432)
1.2	TAXES AND DUES PAYABLE (-)	380,770	357,408
1.2.1	Corporate Tax (Income Tax)	-	-
1.2.2	Income Tax Withholding	-	-
1.2.3	Other Taxes and Dues Payable ²	380,770	357,408
A.	NET PROFIT FOR THE YEAR (1.1-1.2)	(278,086)	(440,024)
1.3	PRIOR YEAR'S LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER RESERVES (-)	-	-
B.	DISTRIBUTABLE NET PERIOD PROFIT [(A)-(1.3+1.4+1.5)]	(278,086)	(440,024)
1.6	First Dividend to Shareholders (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Preferred Stocks	-	-
1.6.3	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Owners of the profit and loss Sharing Certificates	-	-
1.7	DIVIDEND TO PERSONNEL (-)	-	-
1.8	DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Preferred Stocks	-	-
1.9.3	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Owners of the profit/loss Sharing Certificates	-	-
1.10	STATUTORY RESERVES (-)	-	-
1.11	EXTRAORDINARY RESERVES	-	-
1.12	OTHER RESERVES	-	-
1.13	SPECIAL FUNDS	-	-
II.	DISTRIBUTION FROM RESERVES	-	-
2.1	DISTRIBUTED RESERVES	-	-
2.2	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1	The Owners of Ordinary Shares	-	-
2.2.2	The Owners of Preferred Stocks	-	-
2.2.3	The Owners of Preferred Stocks (Preemptive Rights)	-	-
2.2.4	The Profit-Sharing Bonds	-	-
2.2.5	The Owners of the profit/loss Sharing Certificates	-	-
2.3	Share to Personnel (-)	-	-
2.4	Share to Board of Directors (-)	-	-
III.	EARNINGS PER SHARE	-	-
3.1	TO OWNERS OF STOCKS	-	-
3.2	TO OWNERS OF STOCKS (%)	-	-
3.3	TO OWNERS OF PREFERRED STOCKS	-	-
3.4	TO OWNERS OF PREFERRED STOCKS (%)	-	-
IV.	DIVIDEND PER SHARE	-	-
4.1	TO OWNERS OF STOCKS	-	-
4.2	TO OWNERS OF STOCKS (%)	-	-
4.3	TO OWNERS OF PREFERRED STOCKS	-	-
4.4	TO OWNERS OF PREFERRED STOCKS (%)	-	-

¹ Profit distribution is decided by the Bank's General Assembly, and as of the date of preparation of the financial statements, the General Assembly meeting has not been held yet.

² The amount represent in the other tax and legal liabilities line is deferred tax income/expense

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES IN THE RELATED PERIOD

1. Explanations on basis of presentation

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

The consolidated financial statements have been prepared in accordance with the provisions of the Regulation on the Procedures and Principles Regarding Accounting Practices and Document Retention of Banks, published in the Official Gazette dated November 1, 2006, and numbered 26333, in relation to the Banking Law No. 5411, and other regulations, communiqués, explanations, and circulars published by the Banking Regulation and Supervision Agency ("BRSA") regarding accounting and financial reporting principles, and, in matters not regulated by these, in accordance with the provisions of the Turkish Financial Reporting Standards ("TFRS") by the Public Oversight, Accounting and Auditing Standards Authority ("POA") (all in accordance with "BRSA Accounting and Financial Reporting Legislation"). However, IAS 29 "Financial Reporting in High-Inflation Economies" within TFRS is not applicable to banks and financial leasing, factoring, financing, savings financing, and asset management companies, as explained below.

The format and content of the consolidated financial statements to be disclosed to the public, as well as their explanations and footnotes, have been prepared in accordance with the "Communiqué on Financial Statements to be Disclosed to the Public by Banks and Related Explanations and Footnotes" and the "Communiqué on Public Disclosures Regarding Risk Management by Banks," published in the Official Gazette dated June 28, 2012, and numbered 28337, and the communiqués that add to and amend these. The Parent Bank maintains its accounting records in Turkish Lira, in accordance with the Banking Law, the Turkish Commercial Code, and Turkish tax legislation. The consolidated financial statements have been prepared in Turkish Lira, based on the historical cost method, except for financial assets and liabilities shown at fair value.

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

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TFRS. The preparation of the consolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Parent Bank's management to make estimates and assumptions related to assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. Such estimates and assumptions include the fair value calculations of the financial instruments, provisions for the lawsuits, deferred tax assets and liabilities, impairment of the financial assets and revaluation of immovables and reviewed periodically and when adjustments are considered necessary, they are reflected in the consolidated financial statements. The assumptions and estimates used are explained in the related notes. Accounting policies and evaluation principles in preparing consolidated financial statements are determined and applied as per the principles stated in "BRSA Accounting and Financial Reporting Legislation" and consistent with the accounting policies applied for December 31, 2024 financial statements.

Public Oversight Accounting and Auditing Standards Authority ("POA"), with its announcement dated 23 November 2023, applied that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting in Hyperinflationary Economies ("TAS 29"), however, institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the applying of TAS 29. Based on this announcement of POA, BRSA, with its decision dated December 12, 2023 and numbered 10744, decided that the financial statements dated December 31, 2023 of banks and financial leasing, factoring, financing, savings financing and asset management companies should not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA's decision dated January 11, 2024 and numbered 10825, it has been decided that banks and financial leasing, factoring, financing, savings financing and asset management companies will be applied inflation accounting as of January 1, 2025. Finally, BRSA's decision dated January 11, 2024 and numbered 10825, it has been decided that banks and financial leasing, factoring, financing, savings financing and asset management companies would not apply inflation accounting in 2025. Accordingly, the Parent Bank has not applied the inflation accounting required by TAS 29 in its consolidated financial statements for the year ended December 31, 2025.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Changes in accounting estimates, errors and classifications

If changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively, and prior period financial statements are restated. There were no significant changes in the accounting estimates of the Group in the current year. Comparative information is rearranged when deemed necessary in order to comply with the presentation of the current period financial statements. The Group has not made any changes in the presentation of the financial statements in the current period.

The Group's financial statements are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends.

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

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

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

The foreign currency exchange differences resulting from the translation of debt securities issued and monetary financial instruments into Turkish Lira are included in the income statement.

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

The Group's derivative transactions are classified, measured and accounted in accordance with the provisions of "IFRS 9 Financial Instruments". Fair values are used in the initial recording of derivative transactions and are valued at fair values in the periods following their recording. Liabilities and assets arising from derivative transactions are recorded in the off-balance sheet accounts based on the contract amounts. Derivative transactions are valued at fair value in the periods following their recording and are shown in the balance sheet in the "Fair Value Difference of Derivative Financial Assets Reflected through Profit and Loss" or "Fair Value Difference of Derivative Financial Liabilities Reflected through Profit and Loss Portion" accounts, depending on whether the fair value is positive or negative. These amounts shown in the balance sheet reflect the fair values of derivative products. Differences in fair value as a result of the valuation are accounted for in the "Profit/loss from derivative financial transactions" accounts in the income statement.

4. Explanations on profit share income and expense

Profit share income is reflected in the records using the internal yield ratio method according to the accrual basis over the funds used, and it is accounted for in the dividend income account in the financial statements. When applying the internal yield method, the Group amortizes the fees included in the calculation of the effective profit ratio and the transaction costs over the expected life of the financial instrument. If a financial asset suffers a credit impairment and is classified as non-performing receivables, profit accruals and discounts are calculated for the relevant customers in accordance with the IFRS 9 Financial Instruments Standard.

The Group calculates expense rebates on profit/loss participation accounts according to the unit value calculation method and classifies these amounts in the "Collected Funds" account item on the balance sheet.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

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

5. 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, joint ventures 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, joint ventures and affiliates are accounted for using the equity method also has the opportunity to be accounted for.

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

Title	Address (City/Country)	Main Operation	Current Period Share (%)	Prior Period Share (%)	Consolidation method
Hayat Varlık Kiralama A.Ş. ¹	İstanbul/Türkiye	Financial Institution	100.00	-	Full consolidation

¹ Hayat Varlık Kiralama A.Ş. started its operations in 2025, the financial information for 2024 in the financial tables and footnotes include unconsolidated information.

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

Consolidation basis of subsidiaries

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

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

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

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

6. Explanations on fees and commission income and expenses

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

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

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

7. Explanations on financial assets

The Group categorizes its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

The Group recognizes a financial asset in the financial statements only when it becomes a party to the contractual terms of a financial instrument. During the initial recognition of a financial asset, the business model determined by Group management and the nature of contractual cash flows of the financial asset are taken into consideration.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit/loss” are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and profit share 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 remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. Equity securities classified as financial assets at fair value through profit/loss are recognized at fair value.

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 assets with contractual terms that lead to cash flows are solely payments of principal and profit share 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 remeasured at fair value. Profit share income calculated with effective profit share rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Securities representing the share in the capital classified as financial assets at fair value through profit or loss are recognized at fair value. Exceptionally, cost may be an appropriate estimation method for determining fair value. This is only possible if there is not enough recent information on the measurement of fair value or if the fair value can be measured with more than one method and the cost reflects the fair value estimation among these methods in the best way.

During initial recognition an entity can choose in an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Financial assets measured at amortized cost

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

Financial Assets Measured at Amortized Cost; consists of financial assets, excluding loans and receivables, that are held with the intention of keeping until maturity and that the necessary conditions to be held until maturity, including funding ability, are met, have fixed or determinable payments and fixed maturities. Financial Assets Measured at Amortized Cost are first recorded at their acquisition cost and subsequently valued at their discounted cost using the internal yield method. Profit share income related to Financial Assets Measured at Amortized Cost is reflected in the income statement.

Derivative financial assets

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

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

Loans

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

8. Explanations on impairment of financial assets

In accordance with the "Regulation on the Procedures and Principles for the Classification of Loans and the Provisions to be Set Aside for These" published in the Official Gazette dated 22 June 2016 and numbered 29750, the Bank started to allocate impairment provisions in accordance with the provisions of TFRS 9 after it started operating. Since the Group does not have sufficient historical data to create internal models for TFRS 9 expected credit loss calculation, the Bank prepared its assumptions and methodologies based on expert opinion. In addition, within the scope of TFRS 9 Standard, the Group has developed macroeconomic models to reflect past events, current conditions and estimates of future economic conditions and included them in the expected credit loss provision calculations. Expected credit loss is a probability calculation that is used to predict the credit losses that will occur if the loan payments required under the contract are not made on time and is weighted according to the default risks of the loans. Calculation of expected credit losses consists of three main parameters: Probability of Default, Loss Given Default, and Default Amount.

Probability of Default (PD), refers to the probability that the loan will default within a certain time period. The bank uses two different default probability values when calculating expected credit loss in accordance with TFRS 9:

- 12-Month probability of default: Estimation of the probability of default within 12 months after the reporting date.
- Lifetime probability of default: Estimation of the probability of default over the expected life of the financial instrument.

Since the Group does not have historical data that could create a PD model within the scope of TFRS 9, it determined the PD value using participation banks' default data.

Loss Given Default (LGD), is the economic loss of the borrower arising from the loan in case of default and is expressed as a ratio. "Working LGD" rate refers to the LGD rate that corresponds to the period between the date of transfer to follow-up accounts for non-performing receivables and the period in which ECL calculation is made. LGD rate for all receivables except non-performing receivables is 45%

Exposure amount at Default (EAD), refers to the balance disbursed in cash loans as of the report date. For non-cash loans and commitments, it is the value calculated by applying the loan conversion rate. The credit conversion rate corresponds to the loan conversion rate used in the adaptation of possible risk increases between the current date and the default date.

For non-cash loans, credit conversion ratio is used in EAD calculation. The cash conversion rate of a non-cash loan indicates the rate at which compensation will occur. For the cash conversion rates of non-cash loans, the risk weighting given in the BRSA Circular No. 2016/1 dated 28.03.2016 was taken into account.

The Group has established a 3-stage' impairment model based on the change in credit quality after initial recognition:

Stage 1 covers financial instruments with no significant increase in credit risk from initial recognition to the next reporting period or with low credit risk at the reporting date. For these assets, a 12-month expected credit loss is recognized. In the 12-month expected credit loss provision calculation for Stage 1 loans, the weighted average of annual default rates calculated on the 5-year loan and non-performing receivables data publicly disclosed by participation banks starting from the period in which the PD calculation is made is used as the probability of default (PD) parameter. While determining the relevant period, the minimum historical observation period mentioned in the "Guide on Evaluation, Validation and Corporate Governance of Internal Rating-Based Approaches and Advanced Measurement Approach" was taken into consideration.

Stage 2 covers financial assets for which there has been a significant increase in credit risk since initial recognition but for which there is no objective evidence of impairment. For these assets, lifetime expected credit losses are recognized. In this context, these are the basic issues taken into account in determining whether a financial asset's credit risk has increased significantly and is transferred to Stage 2. In the lifetime expected loan loss provision calculation for stage 2 loans, the weighted average of stage 2 provision rates calculated over the 5-year close monitoring provision amounts announced to the public by participation banks starting from the period in which the PD calculation is made is used as the PD parameter.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Stage 3 includes financial assets for which there is objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

The Group periodically evaluates the provisions set aside for loans and other receivables in accordance with TFRS 9, based on their results, and makes updates to the basketing rules and the parameters used in the calculation of the relevant provision balances, if deemed necessary, as a result of these evaluations.

If the credit risk on a financial instrument has not increased significantly since it was first recognized in the financial statements, the Group classifies the financial asset in question as the first stage and adjusts the loss allowance for the financial instrument at an amount equal to the 12-month expected credit losses at each reporting date.

The purpose of impairment is to recognize lifetime expected losses in the financial statements for all financial instruments with significant increases in credit risk since their initial recognition, individually or collectively, by taking into account all reasonable and supportable information, including forward-looking ones.

12-Month Expected Loss Provision (Stage 1) These are financial assets that do not have a significant increase in credit risk when they are first included in the financial statements or thereafter, and the number of days of delay does not exceed 30 days.

Credit risk impairment provision for these assets is recognized as 12-month expected credit loss provision. It is valid for all assets unless there is a significant deterioration in credit quality. The 12-month expected loss values (within 12 months after the reporting date or sooner if the life of a financial instrument is less than 12 months) are part of the lifetime expected loss calculation.

Significant Increase in Credit Risk (Stage 2) if there is a significant increase in credit risk after it is first included in the financial statements, the relevant financial asset is transferred to the 2nd Stage. Credit risk impairment provision is determined according to the lifetime expected credit loss provision of the relevant financial asset.

The Group classifies financial assets as stage 2, taking into account the following criteria:

- Loans with overdue days exceeding 30 days but not exceeding 90 days,
- Data received from the early warning system and the evaluation to be made by the Group in this case,
- The Group's management concludes that there is a significant increase in the credit risk as a result of the comparison with the default risk at the beginning of the loan to determine whether the customer's risk of default has increased significantly since the initial definition of the loan,
- In loans whose repayment is entirely dependent on collateral, the net realizable value of the collateral falls below the receivable amount.

Default (Stage 3/Special Provision) According to the Group's internal procedures, the relevant financial asset is within the scope of default if the following situations exist:

- Loans that are over 90 days overdue from the last installment date (In this case, the customer is followed up on the 91st day).
- Loans that are restructured and classified as live receivables and whose payment is delayed for more than 30 days within the one-year monitoring period (In this case, the customer is monitored on the 31st day).
- Loans that were restructured and classified as live receivables and were restructured at least once within a one-year monitoring period.

Expected Credit Loss evaluation is done on the basis of the existence of the hard collateral. In case the file has hard collateral, for each customer at least 2 and at most 3 scenario will be applicable. The independent value of the collateral, court value, if there is payment protocol the payment plan, legal status of the debtor, the situation in the court file are considered while calculating the ECL.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

9. Explanations on offsetting of financial assets and liabilities

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

10. Explanations on sale and repurchase agreements and lending of securities

Central Bank of the Republic of Türkiye (“CBRT”) made some changes on orders for open market transactions (“OMT”) and prepared an additional frame contract for participation banks in order to present rent certificates to open market operations of CBRT in accordance with the principles of participation banks. According to this agreement, a new type of transaction was formed which enables participation banks to resell or repurchase rent certificates on their portfolio to CBRT when they need funding or in attempt to evaluate the excess liquidity. In this context, the Treasury Lease Certificates included in the assets of the participation banks of the Central Bank of the Republic of Türkiye are subject to the sale process with the promise of repurchase and can carry out API transactions and obtain funds in this way.

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

A non-current asset classified as held for sale (or disposal group) is the lower of its book value and fair value less costs to sell, in accordance with the provisions of “IFRS 5 Turkish Financial Reporting Standard on Assets Held for Sale and Discontinued Operations”. In order to classify an asset as held for sale, the sale should be highly probable, and the asset should be available for immediate sale in its present condition. Highly saleable condition requires a plan by the management regarding the sale of the asset together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset should be actively in the market at a price consistent with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan. Various events and conditions may extend the completion period of the disposal over one year.

A discontinued operation is a part of the Group business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Group has no discontinued operations.

12. Explanations on goodwill and other intangible assets

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 “Turkish Accounting Standards for Intangible Assets”. As of the balance sheet date, there is no goodwill in the financial statements of the Bank. The Group’s intangible assets consist of softwares, capitalized information technology services and intangible rights. Intangible assets are amortised by the Group over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Group’s software have been determined as 3 to 4 years and other intangible assets’ useful lives have been determined as 15 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 “Turkish Accounting Standard for Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

13. Explanations on tangible assets

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than one year as of the balance sheet date.

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

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

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

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

14. Explanations on leasing transactions

The Group assesses whether the contract has a lease qualification or include a lease transaction.

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

The right of use asset and lease liability are measured at the present value of the lease payments in accordance with TFRS 16 "Leases" standard. Lease payments are discounted using the Group's alternative borrowing profit share rate.

Right of use assets

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

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

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

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

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

The Group applies the depreciation liabilities in TAS 16 Tangible Fixed Assets while depreciating the right of use asset. The Group determines whether the right of use has been impaired and recognizes any identified impairment losses in accordance with TAS 36 – Impairment of Assets.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Lease Liability

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

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

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

15. Explanations on Provisions and contingent liabilities

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

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

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

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

In accordance with the eighth paragraph of Article 6 of the "Regulation on the Procedures and Principles Regarding the Acceptance, Withdrawal, and Statute of Limitations of Deposits, Participation Funds, Escrow, and Receivables," the Parent Bank may set aside a profit-balancing reserve to ensure the stable distribution of profit shares to participation account holders on a period-by-period basis. This reserve is set aside from the profit shares accruing to participation account holders in the relevant period, in accordance with management decision, to mitigate the impact of fluctuations in returns from participation accounts, and is not an element of the Parent Bank's equity. The profit-balancing reserve is recorded in the financial statements under liabilities in the "Other Provisions" account, and the amounts allocated to this reserve are accounted for in the income or loss statement under the other provisions expense account. If the profit-balancing reserve is dissolved or cancelled, these amounts are used solely for distribution to participation account holders and are accounted for in the other operating income account.

16. Explanations on liabilities relating to employee benefits

Defined benefit plans

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

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

Defined contribution plans

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

Short term benefits to employees

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

17. Explanations on taxation

Corporate Tax

While corporate tax which is applied to corporate earnings at the rate of 20% in Türkiye, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, the corporate earnings of 2023 and later taxation periods this rate has been determined to be applied as 25% and for the 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 this rate has been determined to be applied as 30%.

This rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions No.2009/14593 and No.2009/14594 of the Council of Ministers published in the Official Gazette No.27130 dated 3 February 2009, certain duty rates included in the articles No.15 and 30 of the new Corporate Tax Law No.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Türkiye through their operations or permanent representatives and the resident institutions has been changed to 10% from 15% by the Presidential decision published in the Official Gazette No. 31697 dated 22 December 2021. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

75% of earnings generated through sale of equity shares, founders' shares, redeemed shares and preemption rights are exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years. While 50% of earnings generated through sale of real estate held at least for two years by the institutions were exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years, in accordance with the regulation introduced by Law No. 7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, this article has been abolished and has been removed from entry into force of the law dated 15 July 2023. The exemption rate for real estates previously included in the assets of institutions has been determined as 25%.

All earnings generated through transfer of equity shares, founders' shares, redeemed shares and preemption rights by the companies being under legal proceedings or guarantor and mortgage provider of such companies, to banks, financial leasing companies and finance companies or the Savings Deposit Insurance Fund in connection with liquidation of their liabilities and earnings of banks, financial leasing companies and finance companies through sale of immovable part of such assets or other items are exempt from corporate tax at the rate of 50% and 75%, respectively.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298 of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 are subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base. According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2023 and 2024 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. However, Article 34 of Law No. 7571, published in the Official Gazette No. 3318 dated December 25, 2025, and Temporary Article 37 added to Law No. 213 on Tax Procedure, stipulate that financial statements will not be subject to inflation adjustment for the 2025 accounting period, including provisional tax periods, and the 2026 and 2027 accounting periods (or for those assigned special accounting periods, for accounting periods ending in 2026, 2027, and 2028), regardless of whether the conditions for inflation adjustment under Article 298 are met. The provisions in Article 298(Ç) and Temporary Article 32 of the Tax Procedure Law (VUK), within the scope defined in General Circular No. 537 of the VUK, have provided taxpayers with the opportunity for optional revaluation. However, according to Article 298(A) and Temporary Article 33 of the VUK, revaluation under Article 298(Ç) cannot be made in periods where inflation adjustment is mandatory. Therefore, the opportunity for revaluation, which became possible due to the non-application of inflation adjustment for 2025, has been utilized in the current period.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Parent Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç until 30 September 2023. Since the financial statements are subject to inflation adjustment as of 31 December 2023, real estates and depreciation units are not subject to revaluation as of 31 December 2023. Corporate tax is calculated by taking into account of real estates and depreciation units' amortized values until 30 September 2023.

According to Law No. 7440 on Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette (dated on March 12, 2023, and numbered 32130), corporate tax payers are to be calculating additional tax in order to be indicated in corporate income tax returns of the year 2022. With the regulation of Law No. 5520 on the "Corporate Tax Law" and other tax regulations, an additional tax of 10% will be calculated based on the exemption and deduction amounts subject to deduction from corporate income and the tax bases subject to reduced corporate tax within the scope of Article 32/A of the same law and with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of Law No. 5520, an additional tax of 5% will be calculated on exemption gains obtained from abroad, which are proven to carry a tax burden of at least 15%. The first installment of this additional tax must be paid within the payment period of the corporate income tax, and the second installment is to be paid in the fourth month following this period.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Deferred Tax

For taxable temporary differences that arise between the book value of an asset or liability and its tax base value determined in accordance with tax legislation, the Group is responsible for obtaining financial profit that can be deducted in subsequent periods, in accordance with the provisions of "TAS 12 - Income Taxes", BRSA's explanations and circulars and tax legislation. As far as possible, deferred tax is calculated on deductible temporary differences. In calculating deferred tax, the time when temporary differences will be taxable/deductible is estimated and legalized tax rates valid as of the balance sheet date in accordance with the applicable tax legislation are used. While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by obtaining taxable profit in the future. Calculated deferred tax assets and deferred tax liabilities are netted in the financial statements. Tax effects related to transactions directly accounted for in equity are also reflected in equity.

According to the temporary article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate taxes in the financial statements are included in the deferred tax calculation.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available in the foreseeable future. Where a tax benefit is probable, deferred tax assets are calculated based on deductible tax losses. The Group has recognized a deferred tax asset based on the assumption that the deductible tax losses detailed in Section 5 Note 1.1.15 are recoverable.

18. Explanations on additional disclosures on borrowings

Financial liabilities, held for trading and derivative financial liabilities classified as at fair value through profit/loss are at fair value; All other financial liabilities are valued at their discounted values using the effective internal yield method in the periods following their recording, including transaction costs.

19. Explanations on share certificates issued

If the shares issued in capital increases are issued at a price higher than their nominal value, the Group accounts the difference between the issue price and nominal value in equity as "Share Issuance Premiums".

20. Explanations on acceptances and availed drafts

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

21. Explanations on government grants

None (31 December 2024 – None).

22. Explanations on segment reporting

The Group carries out its activities in three main departments: Retail Banking, Corporate Banking, Treasury and International Banking. Each department provides services with its own products and activity results are monitored on the basis of these departments. Reporting by business segments is presented in Chapter Four.

23. Explanations on other matters

Article 4 of the Banking Law lists "acceptance of participation funds" among the activities of Participation Banks. Participation funds are divided into two categories: special current accounts and participation accounts. Special current accounts are demand deposit funds. The profit or loss arising from their operation belongs entirely to the bank. Participation accounts are opened within the framework of mudarabah (labor-capital partnership). Participation accounts can be opened based on a profit-sharing agreement or an investment agency agreement to be concluded with public institutions and organizations, funds, and legal entity clients. In participation accounts based on a profit-sharing agreement, the profit earned is distributed according to the profit-sharing ratio initially agreed upon by the parties. The relevant sharing ratio is determined according to the amount and maturity. In participation accounts based on an investment agency agreement, the portion of the income earned up to the maximum estimated profit ratio belongs to the client, and the portion above that belongs to the Parent Bank. Income generated from loans corresponding to the total funds in the participation accounts of Parent Bank customers is divided into Parent Bank and Customer shares according to the rules mentioned above and transferred to the accounts in accordance with their maturity periods. Our customers receive a profit share equal to the difference between the unit value rate in the pool type they joined at the time of initial account opening and the unit value at the end of the maturity period.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

SECTION FOUR

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

1. Explanations on Consolidated Equity Items

Total capital and Capital Adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”. As of 31 December 2025, Group’s total capital has been calculated as TL 2,539,677 (31 December 2024 - TL 1,893,671), capital adequacy ratio is 23.1% (31 December 2024 – 31.9%).

In accordance with the Regulation on the Measurement and Assessment of Capital Adequacy of Banks published in the Official Gazette dated 23.10.2015 and numbered 29511, commercial cash loans shall be applied in the calculation of capital adequacy standard ratios as per the BRSA's Regulation on the Measurement and Assessment of Capital Adequacy (Regulation);

- In the calculation of the amount subject to credit risk as per the Board Decision dated 12.12.2023 and numbered 10747, as per the Regulation; In calculating the amounts valued in accordance with Turkish Accounting Standards and the relevant special provision amounts of monetary and non-monetary assets other than items in foreign currency measured in terms of historical cost, it has been decided that the practice of using the Central Bank of the Republic of Turkey (Central Bank) foreign exchange buying rate as of 26.06.2023 will continue by using the Central Bank foreign exchange buying rate as of 28.06.2024, to be applied as of 01.01.2025, until a Board Decision to the contrary is taken.

As of 31 December 2025, the Bank has utilized these options in its Capital Adequacy calculations. The relevant board decisions have a positive impact on increasing the standard capital adequacy ratio by 1.49%.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Components of Consolidated Capital

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL		
Paid-In Capital to Be Entitled for Compensation After All Creditors	4,500,000	3,000,000
Share Premium	-	-
Reserves	-	-
Other Comprehensive Income According to TAS	8,730	2,170
Profit	-	-
Current Period Profit	-	-
Prior Period Profit	-	-
Bonus Shares from Associates, Affiliates and Joint-Ventures Not Accounted in Current Period's Profit	-	-
Common Equity Tier I Capital Before Deductions	4,508,730	3,002,170
Deductions From Common Equity Tier I Capital		
Valuation Adjustments Calculated as Per the Article 9. (I) Of The Regulation on Bank Capital	-	-
Current And Prior Periods' Losses Not Covered by Reserves, And Losses Accounted Under Equity According to TAS (-)	580,648	349,403
Leasehold Improvements on Operational Leases (-)	19,297	418
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	631,670	356,911
Remaining after deducting from the related deferred tax liability with the deferred tax asset based on future taxable income, except for deferred tax assets based on temporary differences	767,118	434,673
Differences Arise When Assets and Liabilities Not Held at Fair Value, Are Subjected to Cash Flow Hedge Accounting	-	-
Total Credit Losses That Exceed Total Expected Loss Calculated According to The Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization Gains	-	-
Unrealized Gains and Losses from Changes in Bank's Liabilities' Fair Values Due to Changes in Creditworthiness	-	-
Net Amount of Defined Benefit Plans	-	-
Direct And Indirect Investments of The Bank on Its Own Tier I Capital (-)	-	-
Shares Obtained Against Article 56, Paragraph 4 Of the Banking Law (-)	-	-
Total Of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or Less of The Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital (-)	-	-
Total Of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or More of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets Arising from Temporary Differences Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding The 15% Threshold of Tier I Capital as Per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
The Portion of Net Long Position of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% Or More of the Issued Share Capital Not Deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights Not Deducted (-)	-	-
Excess Amount Arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Deductions From Tier I Capital in Cases Where There Are No Adequate Additional Tier I Or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	1,998,733	1,141,405
Total Common Equity Tier I Capital	2,509,997	1,860,765

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

ADDITIONAL TIER I CAPITAL		
Privileged stocks not included in common equity and share premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions From Additional Tier I Capital		
Direct And Indirect Investments of the Bank on Its Own Additional Tier I Capital (-)	-	-
Investments In Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in The Article 7 of the Regulation	-	-
Total Of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or Less of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% of the Issued Share Capital (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Items To Be Deducted from Tier I Capital During the Transition Period		
Goodwill And Other Intangible Assets and Related Deferred Taxes Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
Net Deferred Tax Asset/Liability Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
Deduction From Additional Tier I Capital When There Is Not Enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	2,509,997	1,860,765
Tier II Capital		
Debt Instruments and The Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and The Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Provisions (Amounts Explained in the First Paragraph of the Article 8 of the Regulation on Bank Capital)	29,680	32,906
Tier II Capital before deductions	29,680	32,906
Deductions From Tier II Capital		
Direct and Indirect Investments of The Bank on Its Own Tier II Capital (-)	-	-
Investments In Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or Less of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or More of the Issued Share Capital Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	29,680	32,906
Total Equity (Total Tier I And Tier II Capital)	2,539,677	1,893,671

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Total Tier I Capital and Tier II Capital (Total Equity)		
Loans Granted Against the Articles 50 and 51 of the Banking Law (-)	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 Of the Banking Law and The Assets Acquired Against Overdue Receivables and Held for Sale but Retained More Than Five Years (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Items to be Deducted from The Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or Less of the Issued Share Capital Exceeding the 10% Threshold of Above Tier I Capital Not Deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as Per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital Not Deducted from Additional Tier I Capital or Tier II Capital as Per the Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Net Long Position of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or more of the issued Share Capital, of the Net Deferred Tax Assets Arising from Temporary Differences and of the Mortgage Servicing Rights Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 2, Paragraph (1) And (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
Capital		
Total Capital (Total of Tier I Capital and Tier II Capital)	2,539,677	1,893,671
Total Risk Weighted Assets	10,999,483	5,936,582
Capital Adequacy Ratios		
CET1 Capital Ratio (%)	22.8	31.3
Tier I Capital Ratio (%)	22.8	31.3
Capital Adequacy Ratio (%)	23.1	31.9
Buffers		
Total additional core capital requirement ratio (a+b+c)	4.0	4.0
a) Capital conservation buffer requirement (%)	2.5	2.5
b) Bank specific countercyclical buffer requirement (%)	1.5	1.5
c) Higher bank buffer requirement ratio (%)	-	-
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 Of Capital Conservation and Counter-Cyclical Capital Buffers Regulation %	15.2	23.9
Amounts Lower Than Excesses as Per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% Or Less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% or Less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets Arising from Temporary Differences	-	-
Limits For Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (Before Limit of One Hundred and twenty-five Per Ten Thousand)	29,680	32,906
General Loan Provisions for Exposures in Standard Approach Limited By 1.25% of Risk Weighted Assets	29,680	32,906
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited By 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (Effective Between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items Subject to Temporary Article 4	-	-
Amount Of Additional Tier I Capital Items Subject to Temporary Article 4 That Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items Subject to Temporary Article 4	-	-
Amount Of Additional Tier II Capital Items Subject to Temporary Article 4 That Exceeds Upper Limit	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Information on debt instruments to be included in equity calculation:

None.

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

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

2. Explanations and Disclosures related to Credit Risk

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

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

The credit risk which the Group is subjected to outside of Turkey is followed up by the Board of Directors within the frame of the determined limits based on countries and regions.

Risks and limits arising from treasury transactions and customer-based commercial transactions are monitored. In addition, the limits allocated to the correspondent banks according to their degrees and the maximum risk that the Group can take within its own resources are controlled.

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

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

Foreign trade financing and interbank loan disbursement transactions are carried out through the correspondent network, and in this context, country risks, limits, correspondent risks and limits are evaluated regularly.

The Group's top 100 and 200 cash loan customers represents 80% and 93% of the total cash loan portfolio, respectively.

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

The Group's top 100 and 200 cash and non-cash loan customers represent 76% and 91% of the total cash and non-cash loan portfolio, respectively.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Current Period		
Risk Classifications	Risk Amount ¹	Average Risk Amount ²
Conditional and unconditional receivables from central governments or Central Banks	3,673,010	3,897,866
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	69,872
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	260,838	1,446,658
Conditional and unconditional receivables from corporates	7,881,323	5,753,135
Conditional and unconditional receivables from retail portfolios	943,752	364,457
Conditional and unconditional receivables secured by mortgages	-	2,572
Past due receivables	122,151	160,643
Receivables defined under high risk category by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Stock Investments	-	20,090
Other receivables	2,061,071	1,896,133
Total	14,942,145	13,611,426

¹ Includes total risk amounts after the effect of credit risk mitigation and credit conversions.

² Average risk amounts are the arithmetical average of the amounts in monthly reports prepared starting from the date of publication of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank.

Prior Period		
Risk Classifications	Risk Amount ¹	Average Risk Amount ²
Conditional and unconditional receivables from central governments or Central Banks	1,268,787	771,690
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	73,449	74,225
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	1,459,381	1,197,375
Conditional and unconditional receivables from corporates	4,200,275	1,767,046
Conditional and unconditional receivables from retail portfolios	280,271	119,282
Conditional and unconditional receivables secured by mortgages	7,013	5,851
Past due receivables	149,388	28,600
Receivables defined under high risk category by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	-	-
Stock Investments	15,590	12,416
Other receivables	1,174,362	758,864
Total	8,628,516	4,735,349

¹ Includes total risk amounts after the effect of credit risk mitigation and credit conversions.

² Average risk amounts are the arithmetical average of the amounts in monthly reports prepared starting from the date of publication of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Profile of significant exposures in major regions

Current Period ¹	Conditional and unconditional receivables from central governments or Central Banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporate	Investments similar to collective investment funds	Stock Investments	Other receivables	Total
Domestic	3,673,010	-	-	-	-	138,707	7,881,323	943,752	-	122,151	-	-	-	-	-	-	2,061,071	14,820,014
European Union Countries	-	-	-	-	-	1,290	-	-	-	-	-	-	-	-	-	-	-	1,290
OECD Countries ²	-	-	-	-	-	38,359	-	-	-	-	-	-	-	-	-	-	-	38,359
Off-Shore Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	29,794	-	-	-	-	-	-	-	-	-	-	-	29,794
Other Countries	-	-	-	-	-	52,688	-	-	-	-	-	-	-	-	-	-	-	52,688
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,673,010	-	-	-	-	260,838	7,881,323	943,752	-	122,151	-	-	-	-	-	-	2,061,071	14,942,145

¹ Includes total risk amounts before the effect of Credit Risk Mitigation but after credit conversions.

² Includes OECD countries other than EU countries, USA and Canada.

³ Includes assets and liability items that cannot be allocated on a consistent basis

Prior Period ¹	Conditional and unconditional receivables from central governments or Central Banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporate	Investments similar to collective investment funds	Stock Investments	Other receivables	Total
Domestic	1,268,787	-	73,449	-	-	1,374,913	4,200,275	280,271	7,013	149,388	-	-	-	-	-	15,590	1,174,362	8,544,048
European Union Countries	-	-	-	-	-	33,798	-	-	-	-	-	-	-	-	-	-	-	33,798
OECD Countries ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-Shore Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	25,898	-	-	-	-	-	-	-	-	-	-	-	25,898
Other Countries	-	-	-	-	-	24,772	-	-	-	-	-	-	-	-	-	-	-	24,772
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,268,787	-	73,449	-	-	1,459,381	4,200,275	280,271	7,013	149,388	-	-	-	-	-	15,590	1,174,362	8,628,516

¹ Includes total risk amounts before the effect of Credit Risk Mitigation but after credit conversions.

² Includes OECD countries other than EU countries, USA and Canada.

³ Includes assets and liability items that cannot be allocated on a consistent basis

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Risk profile by sectors or counterparties

Current Period	Conditional and unconditional receivables from central governments or Central Banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporate	Investments similar to collective investment funds	Stock Investments	Other receivables	TL	FC	Total ¹
Agriculture	-	-	-	-	-	-	62,005	-	-	-	-	-	-	-	-	-	-	58,463	3,542	62,005
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	62,005	-	-	-	-	-	-	-	-	-	-	58,463	3,542	62,005
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	2,333,396	130,254	-	26,272	-	-	-	-	-	-	303	1,768,844	721,381	2,490,225
Mining and Quarrying	-	-	-	-	-	-	45,613	-	-	-	-	-	-	-	-	-	-	6,512	39,101	45,613
Production	-	-	-	-	-	-	2,237,836	130,254	-	26,272	-	-	-	-	-	-	303	1,712,385	682,280	2,394,665
Electricity, Gas and Water	-	-	-	-	-	-	49,947	-	-	-	-	-	-	-	-	-	-	49,947	-	49,947
Construction	-	-	-	-	-	-	89,149	5,197	-	-	-	-	-	-	-	-	-	94,346	-	94,346
Services	588,102	-	-	-	-	260,838	3,593,180	249,831	-	89,861	-	-	-	-	-	-	238,712	4,381,721	638,803	5,020,524
Wholesale and Retail	-	-	-	-	-	-	1,976,869	210,277	-	56,047	-	-	-	-	-	-	712	2,034,891	209,014	2,243,905
Trade	-	-	-	-	-	-	143,440	4,536	-	-	-	-	-	-	-	-	-	147,976	-	147,976
Accommodation and Dining	-	-	-	-	-	-	539,482	13,810	-	33,655	-	-	-	-	-	-	80,000	619,859	47,088	666,947
Transportation and Communication	-	-	-	-	-	-	195,553	-	-	-	-	-	-	-	-	-	158,000	819,592	382,701	1,202,293
Financial Institutions	588,102	-	-	-	-	260,838	1,803,593	558,470	-	6,018	-	-	-	-	-	-	1,822,056	5,195,568	2,079,477	7,275,045
Real Estate and Rental Services	-	-	-	-	-	-	506,027	-	-	-	-	-	-	-	-	-	-	506,027	-	506,027
Professional Services	-	-	-	-	-	-	207,344	12,620	-	159	-	-	-	-	-	-	-	220,123	-	220,123
Educational Services	-	-	-	-	-	-	24,665	8,588	-	-	-	-	-	-	-	-	-	33,253	-	33,253
Health and Social Services	-	-	-	-	-	-	1,803,593	558,470	-	6,018	-	-	-	-	-	-	1,822,056	5,195,568	2,079,477	7,275,045
Others	3,084,908	-	-	-	-	-	7,881,323	943,752	-	122,151	-	-	-	-	-	-	2,061,071	11,498,942	3,443,203	14,942,145
Total	3,673,010	-	-	-	-	260,838	7,881,323	943,752	-	122,151	-	-	-	-	-	-	2,061,071	11,498,942	3,443,203	14,942,145

¹ Includes risk amounts before the effect of Credit Risk Mitigation but after the credit conversions.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Prior Period	Conditional and unconditional receivables from central governments or Central Banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporate	Investments similar to collective investment funds	Stock Investments	Other receivables	TL	FC	Total ¹
Agriculture	-	-	-	-	-	-	46,616	-	-	-	-	-	-	-	-	-	-	41,450	5,166	46,616
Farming and Stockbreeding	-	-	-	-	-	-	46,616	-	-	-	-	-	-	-	-	-	-	41,450	5,166	46,616
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	2,049,412	-	2,575	129,638	-	-	-	-	-	-	-	998,242	1,183,383	2,181,625
Mining and Quarrying	-	-	-	-	-	-	111,220	-	-	-	-	-	-	-	-	-	-	55,700	55,520	111,220
Production	-	-	-	-	-	-	1,903,155	-	2,575	-	-	-	-	-	-	-	-	777,867	1,127,863	1,905,730
Electricity, Gas and Water	-	-	-	-	-	-	35,037	-	-	129,638	-	-	-	-	-	-	-	164,675	-	164,675
Construction	-	-	-	-	-	-	162,478	-	-	-	-	-	-	-	-	-	-	158,429	4,049	162,478
Services	1,268,787	-	73,449	-	-	1,459,381	1,378,109	-	4,438	11,474	-	-	-	-	-	-	-	2,513,412	1,682,226	4,195,638
Wholesale and Retail Trade	-	-	73,449	-	-	-	840,948	-	4,438	11,474	-	-	-	-	-	-	-	762,548	167,761	930,309
Accommodation and Dining	-	-	-	-	-	-	37,448	-	-	-	-	-	-	-	-	-	-	32,825	4,623	37,448
Transportation and Communication	-	-	-	-	-	-	280,487	-	-	-	-	-	-	-	-	-	-	32,301	248,186	280,487
Financial Institutions	1,268,787	-	-	-	-	1,459,381	94,635	-	-	-	-	-	-	-	-	-	-	1,561,147	1,261,656	2,822,803
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	83,441	-	-	-	-	-	-	-	-	-	-	83,441	-	83,441
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	41,150	-	-	-	-	-	-	-	-	-	-	41,150	-	41,150
Others	-	-	-	-	-	-	563,660	280,271	-	8,276	-	-	-	-	-	15,590	1,174,362	1,880,083	162,076	2,042,159
Total	1,268,787	-	73,449	-	-	1,459,381	4,200,275	280,271	7,013	149,388	-	-	-	-	-	15,590	1,174,362	5,591,616	3,036,900	8,628,516

¹ Includes risk amounts before the effect of Credit Risk Mitigation but after the credit conversions.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Analysis of Maturity-Bearing Exposures According to Remaining Maturities

Risk Classifications ¹ – Current Period	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments or Central Banks	3,673,010	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	260,838	-	-	-	-
Conditional and unconditional receivables from corporates	1,559,310	889,723	833,726	2,002,980	2,595,584
Conditional and unconditional receivables from retail portfolios	138,918	252,259	106,789	104,940	340,846
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-
Past due receivables	61,504	1,248	2,111	32,953	24,335
Receivables defined under high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	-	-	-	-	-
Other receivables	2,061,071	-	-	-	-
Total	7,754,651	1,143,230	942,626	2,140,873	2,960,765

¹ Risk amounts are stated before credit risk mitigation and after credit conversion ratio. Risk categories in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy have been considered.

Risk Classifications ¹ – Prior Period	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments or Central Banks	574,702	-	-	69,798	624,287
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial undertakings	-	-	-	-	73,449
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1,434,517	10,036	7,328	7,500	-
Conditional and unconditional receivables from corporates	187,578	244,153	500,044	1,305,654	1,962,846
Conditional and unconditional receivables from retail portfolios	8,558	55,712	50,696	139,648	25,657
Conditional and unconditional receivables secured by mortgages	-	-	-	2,575	4,438
Past due receivables	30,155	30,684	11,874	76,353	322
Receivables defined under high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock Investments	15,590	-	-	-	-
Other receivables	1,174,362	-	-	-	-
Total	3,425,462	340,585	569,942	1,601,528	2,690,999

¹ Risk amounts are stated before credit risk mitigation and after credit conversion ratio. Risk categories in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy have been considered.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Credit risk using the standard approach

Credit risk exposed and credit risk mitigation effects

	Current Period	Credit conversion rate and credit risk amount receivable before reduction		Credit conversion rate and credit risk amount of receivable after reduction		Risk weighted amount and risk weighted amount concentration	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density(%)
1	Receivables from central governments and Central Banks	3,666,502	-	3,666,502	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	244,410	-	296,192	-	115,786	39.09
7	Receivables from corporate	7,079,347	1,628,483	7,027,565	801,976	7,726,043	98.68
8	Retail receivables	656,068	646,913	656,068	287,684	703,104	74.50
9	Receivables secured by residential property	-	-	-	-	-	-
10	Receivables secured by commercial property	-	-	-	-	-	-
11	Non-performing receivables	122,151	-	122,151	-	70,728	57.90
12	Receivables in high-risk categories	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	2,061,071	-	2,061,071	-	479,317	23.26
17	Stock investments	-	-	-	-	-	-
18	Total	13,829,549	2,275,396	13,829,549	1,089,660	9,094,978	60.96

	Prior Period	Credit conversion rate and credit risk amount receivable before reduction		Credit conversion rate and credit risk amount of receivable after reduction		Risk weighted amount and risk weighted amount concentration	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density(%)
1	Receivables from central governments and Central Banks	1,268,787	-	1,268,787	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	73,449	-	73,449	100.00
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1,444,553	-	1,459,381	-	362,923	24.87
7	Receivables from corporate	3,035,405	1,955,181	2,947,128	1,253,147	3,854,697	91.77
8	Retail receivables	280,271	-	280,271	-	210,203	75.00
9	Receivables secured by residential property	-	-	-	-	-	-
10	Receivables secured by commercial property	7,013	-	7,013	-	3,506	49.99
11	Non-performing receivables	149,388	-	149,388	-	146,864	98.31
12	Receivables in high-risk categories	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	1,174,362	-	1,174,362	-	362,261	30.85
17	Stock investments	15,590	-	15,590	-	15,590	100.00
18	Total	7,375,369	1,955,181	7,375,369	1,253,147	5,029,493	58.29

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Exposures by asset classes and risk weights

Classifications/Risk Weights (Current Period)	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	Others%	Total risk amount (post-CCF and CRM)
1 Receivables from central governments and Central Banks	3,666,502	-	-	-	-	-	-	-	-	-	-	3,666,502
2 Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-	-
3 Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	-	-	225,508	-	-	-	-	70,684	-	-	-	296,192
7 Receivables from corporate	103,498	-	-	-	-	-	-	7,726,043	-	-	-	7,829,541
8 Retail receivables	6,280	-	-	-	-	-	937,472	-	-	-	-	943,752
9 Receivables secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-
10 Receivables secured by commercial property	-	-	-	-	-	-	-	-	-	-	-	-
11 Non-performing receivables	-	-	-	-	-	102,846	-	19,305	-	-	-	122,151
12 Receivables in high-risk categories	-	-	-	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
16 Stock investments	-	-	-	-	-	-	-	-	-	-	-	-
17 Other receivables	1,581,754	-	-	-	-	-	-	479,317	-	-	-	2,061,071
18 Total	5,358,034	-	225,508	-	-	102,846	937,472	8,295,349	-	-	-	14,919,209

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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

Classifications/Risk Weights (Prior Period)	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	Others%	Total risk amount (post-CCF and CRM)
1 Receivables from central governments and Central Banks	1,268,787	-	-	-	-	-	-	-	-	-	-	1,268,787
2 Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-	-
3 Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	73,449	-	-	-	73,449
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	-	-	1,281,837	-	-	146,576	-	30,968	-	-	-	1,459,381
7 Receivables from corporate	151,719	-	158,441	-	-	178,373	-	3,705,647	-	-	6,095	4,200,275
8 Retail receivables	-	-	-	-	-	-	280,271	-	-	-	-	280,271
9 Receivables secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-
10 Receivables secured by commercial property	-	-	-	-	-	7,013	-	-	-	-	-	7,013
11 Non-performing receivables	-	-	-	-	-	5,049	-	144,339	-	-	-	149,388
12 Receivables in high-risk categories	-	-	-	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
16 Stock investments	-	-	-	-	-	-	-	15,590	-	-	-	15,590
17 Other receivables	811,099	-	-	-	-	-	-	363,263	-	-	-	1,174,362
18 Total	2,231,605	-	1,440,278	-	-	337,011	280,271	4,333,256	-	-	6,095	8,628,516

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Risk Amounts According to Risk Weights

Current Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	Other Risk Classes	Deductions from Equity
Exposures before Credit Risk Mitigation	5,248,256	-	277,290	-	-	102,846	943,752	8,347,065	-	-	-	-
Exposures after Credit Risk Mitigation	5,358,035	-	225,508	-	-	102,845	937,472	8,295,349	-	-	-	-

Current Period Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	Other Risk Classes	Deductions from Equity
Exposures before Credit Risk Mitigation	2,079,886	-	1,281,838	-	-	322,182	280,271	4,658,243	-	-	6,096	186,691
Exposures after Credit Risk Mitigation	2,231,606	-	1,440,278	-	-	337,009	280,271	4,333,255	-	-	6,095	186,691

Information by major sectors and type of counterparties

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

Past Due Loans; are the credits that overdue up to 90 days but not impaired.

	Current Period			Prior Period		
	Cash Loans		Provisions	Cash Loans		Provisions
	Impaired Loans		Expected Credit Losses	Impaired Loans		Expected Credit Losses
Significant increase in credit risk (Stage 2)	Non-Performing Loans (Stage 3)	Significant increase in credit risk (Stage 2)		Non-Performing Loans (Stage 3)		
Agriculture	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
Fishery	-	-	-	-	-	-
Manufacturing	41,052	253,394	64,920	54,044	146,646	18,441
Mining and Quarrying	-	-	-	-	-	-
Production	41,052	242,821	64,232	54,044	136,073	13,430
Electricity, Gas and Water	-	10,573	688	-	10,573	5,011
Construction	-	-	-	-	-	-
Services	150,154	228,366	18,647	1,089	13,855	2,409
Wholesale and Retail Trade	150,154	227,288	17,879	-	13,855	2,380
Accommodation and Dining	-	-	-	-	-	-
Transportation and Communication	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-
Real Estate and Rental Services	-	1,078	768	1,089	-	29
Professional Services	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-
Others	2,451	25,084	16,852	8,034	30,930	15,168
Total	193,657	506,844	100,419	63,167	191,431	36,018

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Information for value adjustments and provisions

Current Period	Opening Balance	Provisions for period	Provision Reversals	Other Adjustments	Closing Balance
Stage 3 Provisions	34,278	142,298	(15,006)	(65,045)	96,525
Stage 1&2 Provisions	42,953	23,437	(24,548)	-	41,842

Prior Period	Opening Balance	Provisions for period	Provision Reversals	Other Adjustments	Closing Balance
Stage 3 Provisions	-	34,278	-	-	34,278
Stage 1&2 Provisions	3,207	40,548	(802)	-	42,953

Risk involved in counter-cyclical capital buffer calculation

Country	Current Period			Prior Period		
	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	8,947,227	-	8,947,227	6,652,671	107,021	6,759,692

3. Explanations on consolidated currency risk

Foreign currency risk represents the Group's exposure to loss due to the changes in foreign currency (FC) exchange rates. According to the standard method, all foreign currency assets, liabilities and forward foreign exchange transactions of the Group are taken into account when calculating the capital liability subject to exchange rate risk. The "Standard Method" method used in legal reporting is used to measure the exchange rate risk that the Group is exposed to.

The Group monitors daily the designated limits set by the Board of Directors and additionally observes the possible value changes in foreign currency positions. The limits are determined and followed both for the net foreign currency position and for the cross-exchange rate risk within the position.

The announced current foreign exchange buying rates of the Parent Bank as of reporting date and the prior five working days are as follows (full TL):

	24/12/2025	25/12/2025	26/12/2025	29/12/2025	30/12/2025	Balance Sheet Valuation Rate
Usd	42.5416	42.6742	42.6364	42.7601	42.7328	42.8540
Euro	50.1714	50.2494	50.2284	50.3061	50.2943	50.3119
Gold	6,260.38	6,256.59	6,296.27	6,258.94	6,173.95	6,168.19

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for 31 days preceding the balance sheet date are as follows (full TL):

	FC Purchase Rate
USD	42.5681
EURO	49.8578
GOLD	5,998.75

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Sensitivity to exchange rate risk

The Group is exposed to exchange rate risk in Euro, USD and Gold. The table below shows the Group's sensitivity to a 10% increase in USD, Euro and Gold.

	% Increase in the exchange rate	Effects on profit/loss		Effects on equity	
		Current Period	Prior Period	Current Period	Prior Period
Usd	10%	607	3,519	607	3,519
Euro	10%	1,863	(69)	1,863	(69)
Gold	10%	1,045	279	1,045	279

Currency risk of the Group

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye ¹	1,113,461	400,388	435,714	1,949,563
Banks ¹	53,474	39,036	304,706	397,216
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	360,202	-	360,202
Loans and finance lease receivables ¹	2,024,580	499,930	-	2,524,510
Subsidiaries, associates, and joint ventures	-	-	-	-
Financial assets at amortized cost ¹	-	-	-	-
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	211	5,433	-	5,644
Total Assets²	3,191,726	1,304,989	740,420	5,237,135
Liabilities				
Current account and funds collected from Banks via participation accounts	-	-	-	-
Current and profit-sharing accounts FC	4,036,715	1,665,063	425,889	6,127,667
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	-	-	-	-
Marketable securities issued	-	-	-	-
Miscellaneous payables	23	333	-	356
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	92,289	84,228	-	176,517
Total Liabilities²	4,129,027	1,749,624	425,889	6,304,540
Net balance sheet position	(937,301)	(444,635)	314,531	(1,067,405)
Net off-balance sheet position	955,926	450,701	(303,797)	1,102,830
Financial derivative assets	981,082	453,716	3,070	1,437,868
Financial derivative liabilities	25,156	3,015	306,867	335,038
Non-cash loans	1,179,197	928,934	-	2,108,131
Prior Period				
Total assets	1,701,267	1,002,185	974,768	3,678,220
Total liabilities	1,656,190	790,363	282,685	2,729,238
Net balance sheet position	45,077	211,822	692,083	948,982
Net off-balance sheet position	(45,767)	(176,633)	(689,298)	(911,698)
Financial derivative assets	4,594	-	299,694	304,288
Financial derivative liabilities	50,361	176,633	988,992	1,215,986
Non-cash loans	704,461	785,505	-	1,489,966

1 The net amounts after deducting expected loss provisions of which TL 480 from cash assets (31 December 2024 – TL 180), TL 98 from banks (31 December 2024 – TL 56), TL 39,761 from loans (31 December 2024 – TL 7,841) (31 December 2024 – TL 254 from financial assets measured at amortized cost).

2 Income/expense accruals of derivative transactions were excluded.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

3. Explanations related to stock position risk

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

While the Group's shares not traded on the stock exchange are accounted for at fair value, they are also recorded at cost when fair value cannot be reliably measured. The shares of Katılım Finans Kefalet A.Ş amounting to TL 20,090 (31 December 2024 – TL 15,590), since the share ratios in the partnerships are below 10% are classified as financial assets at fair value through other comprehensive income and the Group does not have a significant influence on these entities.

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

	Current Period			Prior Period		
	Balance Sheet Value	Fair Value	Market Value	Balance Sheet Value	Fair Value	Market Value
Not quoted on stock	20,090	-	20,090	15,590	-	15,590

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

None.

5. Liquidity risk management, liquidity coverage ratio and net stable funding ratio

The liquidity risk of the Group is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities.

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

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

Liquidity risk is managed by the Asset Liability Committee (ALCO) and relevant business units within the framework of the issues regarding the management of liquidity risk included in the Regulation on Risk Management Policies approved by the Board of Directors and the Risk Appetite Regulation. In liquidity risk management, the measures to be taken and the practices to be implemented are determined by taking into account normal economic conditions and stress conditions. The bank defines liquidity risk, measures and monitors risks with liquidity risk measurement methods in accordance with international standards and presents them to the relevant parties periodically. An Emergency Funding Plan has been prepared to regulate the procedures and principles for the Group to ensure and maintain an adequate liquidity level under stress conditions.

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

The practices and responsibilities regarding liquidity risk are determined in accordance with the Treasury Regulation approved by the Board of Directors. The Group's liquidity policy is to have a liquidity buffer at a level that will cover liabilities under all economic conditions and to maintain the necessary liquidity at the lowest cost. It also has limits available for use at financial institutions.

In the weekly ALCO meetings attended by senior management, indicators regarding the liquidity situation are examined and liquidity risk is addressed. Additionally, the Board of Directors is informed through the Audit Committee. In order to manage liquidity risk prudently, it is necessary to know what kind of problem the mismatch between assets and liabilities will create under what economic conditions and the cost it will bring. Liquidity risk management aims to measure the Group's current and future liquidity position prudently and proactively, taking into account the currency types and maturities of assets and liabilities. Risk Management Department monitors the limits regarding liquidity risk determined by the Board of Directors. The Treasury Management Department manages funding and liquidity risk to prevent funding insufficiency at any time or from any source and makes regular reports to the ALCO regarding the Group's liquidity position. Risk Management Directorate monitors the liquidity coverage ratio and reports the results to the BRSA.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

The Group's liquidity management is carried out by the Asset Liability Committee.

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

The bank aims to ensure that current and participation accounts are widespread and stable, and that the fund sources used are diversified and long-term. Risk indicators regarding liquidity and issues such as the ratio of liquid assets to total assets, the ratio of participation funds to loans, and the concentration within the collected funds are closely monitored.

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

The Group's LC liquidity is managed through interbank transactions. Foreign currency liquidity is kept in interbank transactions and in correspondent bank accounts within limits.

Information on liquidity risk mitigation techniques

Liquidity risk is achieved through practices such as keeping sufficient high-quality liquid asset stock at a level to cover the bank's cash outflows, diversifying funding sources in order to reduce liquidity risk concentrations, reducing the maturity difference between assets and liabilities through maturity gap analysis, and providing at least a certain part of the fund resources through collected funds aims to implement mitigation techniques.

Information on the use of stress tests

The purpose of the stress test is to determine the sources of possible liquidity weaknesses and whether the current on- and off-balance sheet positions are acted in accordance with the liquidity risk appetite. While developing stress test analyses, it includes scenarios that take into account systemic crisis, bank crisis and both situations together. Different threshold levels are determined for the percentage of the predicted deficit covered by the buffer in the stress test. The Stress Test is aligned with Group's risk appetite framework, ICAAP, budget and other processes and integrated with risk appetite metrics.

General information about the Contingency Funding Plan

In order to establish the necessary principles for identifying and managing possible serious liquidity problems, the Liquidity and Emergency Funding Plan was prepared and approved by the Board of Directors. The plan ultimately aims to protect current and participation account holders, creditors and shareholders. The basic indicators of the Emergency Funding Plan have been determined, and the plan is put into practice in case of unexpected developments in the liquidity situation or other indicators are triggered. Asset Liability Committee is responsible for the implementation of the plan.

Analysis of financial liabilities by remaining contractual maturities

Current Period	Up to 1 months ¹	1-3 months	3-12 months	1-5 years	Above 5 years	Total	Balance Sheet Value
Funds Collected	17,081,801	1,257,829	742,520	-	-	19,082,150	18,830,552
Funds Borrowed	-	-	-	-	-	-	-
Money Markets	300,633	-	-	-	-	300,633	300,316
Securities Issued	-	1,654,048	-	-	-	1,654,048	1,587,762
Finance Lease Payable	142	3,738	10,789	34,547	-	49,216	24,875
Miscellaneous Pay.	94,975	-	-	-	-	94,975	94,975
Total	17,477,551	2,915,615	753,309	34,547	-	21,181,022	20,838,480

¹ Includes demand deposits.

Prior Period	Up to 1 months ¹	1-3 months	3-12 months	1-5 years	Above 5 years	Total	Balance Sheet Value
Funds Collected	7,623,129	1,555,488	495,953	-	-	9,674,570	9,482,970
Funds Borrowed	-	-	-	-	-	-	-
Money Markets	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Finance Lease Payable	142	2,695	8,510	34,618	-	45,965	22,660
Miscellaneous Pay.	175,919	-	-	-	-	175,919	175,919
Total	7,799,190	1,558,183	504,463	34,618	-	9,896,454	9,681,549

¹ Includes demand deposits.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Liquidity coverage ratio

Liquidity coverage ratio is calculated by dividing the high quality liquid assets owned by the Group to the net cash outflows.

Current Period	Total Unweighted Value ¹		Total Unweighted Value ¹		
	TL+FC	FC	TL+FC	FC	
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	6,873,805	2,849,311	6,873,805	2,849,311
CASH OUTFLOWS					
2	Funds collected from retail and from small business customers, of which:	7,978,560	1,808,690	797,856	180,869
3	Stable funds collected	-	-	-	-
4	Less stable funds collected	7,978,560	1,808,690	797,856	180,869
5	Unsecured wholesale funding, of which:	7,844,344	2,738,625	5,304,240	1,404,586
6	Operational funds collected	-	-	-	-
7	Non-operational funds collected	6,897,482	2,726,922	4,812,000	1,398,748
8	Unsecured funding	946,862	11,703	492,240	5,838
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which	421,220	361,849	421,220	361,849
11	Outflows related to derivative exposures and other collateral requirements	421,220	361,849	421,220	361,849
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	1,839,000	1,839,000	91,950	91,950
15	Other irrevocable or conditionally revocable off-balance sheet obligations	395,800	179,420	19,790	8,971
16	TOTAL CASH OUTFLOWS			6,635,056	2,048,225
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	5,165,854	4,663,793	3,376,550	2,884,514
19	Other cash inflows	1,673,691	230,472	1,673,691	230,472
20	TOTAL CASH INFLOWS	6,839,545	4,894,265	5,050,241	3,114,986
				Upper Limit Applied Value	
21	TOTAL HQLA			6,873,805	2,849,311
22	TOTAL NET CASH OUTFLOWS			3,032,256	614,325
23	LIQUIDITY COVERAGE RATIO (%)			226.69	463.81

¹ The average calculated for the last three months of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Prior Period	Total Unweighted Value ¹		Total Unweighted Value ¹		
	TL+FC	FC	TL+FC	FC	
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	973,023	770,078	973,023	770,078
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	3,801,825	370,864	380,167	37,087
3	Stable deposits	316	-	16	-
4	Less stable deposits	3,801,509	370,864	380,151	37,087
5	Unsecured wholesale funding, of which:	3,593,528	1,759,237	1,965,518	780,404
6	Operational deposits	-	-	-	-
7	Non-operational deposits	3,415,008	1,714,554	1,813,284	735,721
8	Unsecured funding	178,520	44,683	152,234	44,683
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which	1,525,634	1,215,985	1,525,634	1,215,985
11	Outflows related to derivative exposures and other collateral requirements	1,525,634	1,215,985	1,525,634	1,215,985
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	1,955,122	1,489,966	97,756	74,498
16	TOTAL CASH OUTFLOWS			3,969,075	2,107,974
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	1,776,464	674,857	1,367,177	594,405
19	Other cash inflows	1,520,907	304,289	1,520,907	304,289
20	TOTAL CASH INFLOWS	3,297,371	979,146	2,888,084	898,694
				Upper Limit Applied Value	
21	TOTAL HQLA			973,023	770,078
22	TOTAL NET CASH OUTFLOWS			1,080,991	1,209,280
23	LIQUIDITY COVERAGE RATIO (%)			90.01	63.68

¹ The average calculated for the last three months of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average

The lowest and highest liquidity coverage rates in the last 3 months of 2025 are stated as table below.

Current Period	Highest	Date	Lowest	Date
FC (%)	1,141	10.10.2025	115	03.10.2025
TL+FC (%)	638	17.10.2025	117	26.12.2025
Prior Period	Highest	Date	Lowest	Date
FC (%)	685	08.11.2024	64	31.12.2024
TL+FC (%)	363	03.10.2024	65	25.12.2024

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Presentation of assets and liabilities according to their remaining maturities

Current period	Demand	Up to 1 month	1-3 Months	3-12 months	1-5 Years	Over 5 years	Unallocated ²	Total
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the CBRT	2,255,235	1,643,167	-	-	-	-	(819)	3,897,583
Banks	397,908	-	-	-	-	-	(97)	397,811
Financial assets at fair value through profit and loss ¹	1,229,893	2,235	-	-	-	-	-	1,232,128
Money market placements								
Financial assets at fair value through other comprehensive income	21,131	21,092	247,170	405,410	3,370,607	-	-	4,065,410
Loans	-	3,403,506	2,746,606	5,838,395	1,782,104	2,300	(123,617)	13,649,294
Financial assets valued at amortized cost	-	-	-	-	-	-	-	-
Other assets	-	191,985	16,824	30,579	3,414	-	1,694,421	1,937,223
Total Assets	3,904,167	5,261,985	3,010,600	6,274,384	5,156,125	2,300	1,569,888	25,179,449
Liabilities								
Current account and funds collected from banks via participation accounts	-	-	-	-	-	-	-	-
Current and profit-sharing accounts	2,281,142	14,612,764	1,238,910	697,736	-	-	-	18,830,552
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money market borrowings	-	300,316	-	-	-	-	-	300,316
Marketable securities issued	-	-	1,587,762	-	-	-	-	1,587,762
Miscellaneous payables	-	94,975	-	-	-	-	-	94,975
Other Liabilities	-	304,178	7,429	30,154	35,167	-	3,988,916	4,365,844
Total Liabilities	2,281,142	15,312,233	2,834,101	727,890	35,167	-	3,988,916	25,179,449
Net Liquidity Gap	1,623,025	(10,050,248)	176,499	5,546,494	5,120,958	2,300	(2,419,028)	-
Prior Period								
Total Assets	1,967,971	2,723,951	1,097,381	3,591,116	2,072,819	108,069	962,968	12,524,275
Total Liabilities	1,731,273	6,091,341	1,467,475	507,738	24,599	-	2,701,849	12,524,275
Net Liquidity Gap	236,698	(3,367,390)	(370,094)	3,083,378	2,048,220	108,069	(1,738,881)	-

¹ Includes derivatives financial assets.

² Includes expected credit losses.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Net stable funding ratio

Current Period	Unweighted value by residual maturity				Weighted value
	Without maturity	Less than 6 months	6 months to 1 year	1 year and more than 1 year	
Available stable fund					
Capital	2,539,677	-	-	-	2,539,677
Tier I and tier II capital	2,539,677	-	-	-	2,539,677
Other capital instruments	-	-	-	-	-
Deposits from retail persons and small business customers	496,121	5,052,537	2,764,447	497,771	7,929,788
Stable deposits /participation funds	-	-	-	-	-
Less stable deposits /participation funds	496,121	5,052,537	2,764,447	497,771	7,929,788
Wholesale funding	1,747,057	9,541,717	70,670	-	5,679,792
Operational deposits	-	-	-	-	-
Other wholesale funding	1,747,057	9,541,717	70,670	-	5,679,792
Liabilities with matching interdependent assets					
Other liabilities	237,520	-	-	-	-
Derivative liabilities	-	-	-	-	-
All other equity and liabilities not included in the above categories	237,520	-	-	-	-
Available stable fund					16,149,257
Required stable fund					
High-quality liquid assets (HQLA)					18,010
Deposits held at credit institutions or financial institutions for operational purposes	93,103	-	-	-	13,965
Performing loans and securities	-	9,196,213	2,203,062	2,157,195	8,375,465
Performing loans to credit institutions or financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing loans to credit institutions or financial institutions secured by non Level 1 HQLA and unsecured performing loans to credit institutions or financial institutions	-	-	-	-	-
Performing loans to non financial corporate clients, loans to retail person customers and small business customers, and loans to sovereigns, central banks and PSEs	-	9,196,213	2,203,062	2,157,195	8,375,465
<i>Loans with a risk weight of less than or equal to 35%</i>	-	4,377	8,131	-	8,130
Performing loans encumbered with residential mortgages	-	-	-	-	-
<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
Exchange traded equities and securities that are not in default and do not qualify as HQLA	-	-	-	-	-
Assets with matching interdependent liabilities					
Other assets	2,548,802	2,160	-	-	2,540,897
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for derivative contracts or contributions to default funds of central counterparties	-	-	-	-	-
Derivative assets	-	2,160	-	-	2,160
Derivative liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	2,548,802	-	-	-	2,538,737
Off-balance sheet items		400,772	770,723	1,327,187	124,934
Required Stable Fund					11,073,271
Net Stable Funding Ratio (%)					145.84

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Prior Period	Unweighted value by residual maturity				Weighted value
	Without maturity	Less than 6 months	6 months to 1 year	1 year and more than 1 year	
Available stable fund					
Capital	1,893,671	-	-	-	1,893,671
Tier I and tier II capital	1,893,671	-	-	-	1,893,671
Other capital instruments	-	-	-	-	-
Deposits from retail persons and small business customers	122,202	4,417,677	354,795	-	4,405,222
Stable deposits /participation funds	316	-	-	-	300
Less stable deposits /participation funds	121,886	4,417,677	354,795	-	4,404,922
Wholesale funding	1,609,071	2,979,225	-	-	1,658,767
Operational deposits	-	-	-	-	-
Other wholesale funding	1,609,071	2,979,225	-	-	1,658,767
Liabilities with matching interdependent assets					
Other liabilities	380,371	-	-	-	-
Derivative liabilities		-	-	-	
All other equity and liabilities not included in the above categories	380,371	-	-	-	-
Available stable fund					7,957,660
Required stable fund					
High-quality liquid assets (HQLA)					11,911
Deposits held at credit institutions or financial institutions for operational purposes	2,521,293	-	-	-	378,194
Performing loans and securities	-	3,421,828	1,623,701	-	3,986,165
Performing loans to credit institutions or financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing loans to credit institutions or financial institutions secured by non Level 1 HQLA and unsecured performing loans to credit institutions or financial institutions	-	-	-	-	-
Performing loans to non financial corporate clients, loans to retail person customers and small business customers, and loans to sovereigns, central banks and PSEs	-	3,421,828	1,623,701	-	3,986,165
<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	1,496,435	1,271,970
Performing loans encumbered with residential mortgages	-	-	-	-	-
<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
Exchange traded equities and securities that are not in default and do not qualify as HQLA	-	-	-	-	-
Assets with matching interdependent liabilities					
Other assets	2,385,030	979	-	-	1,771,357
Physical traded commodities, including gold	689,297				585,902
Assets posted as initial margin for derivative contracts or contributions to default funds of central counterparties		-	-	-	-
Derivative assets		979	-	-	979
Derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories	1,695,733	-	-	-	1,184,476
Off-balance sheet items		313,579	603,043	1,038,441	97,753
Required Stable Fund					6,245,380
Net Stable Funding Ratio (%)					127.42

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Quantitative explanations of the net stable funding rate

As of 31 December 2025, the Group's net stable funding ratio stood at 145.84% (31 December 2024 – 127.42%). Considering the amounts to which the consideration rate has been applied, the main capital item with the highest consideration rate within the scope of the legislation constitutes 16% of the existing stable fund amount (31 December 2024 - 24%). The retail person and retail customer participation fund is the other important element, accounting for 49% of the current stable fund amount (31 December 2024 - 55%).

6. Explanations on leverage ratio

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

As of the balance sheet date, the Group's leverage ratio, calculated based on the arithmetic average of the values found at the end of the months in the previous three-month period, was 9.6 % (31 December 2024 - 12.2%). While the main capital increased by 58%, the total risk amount increased by 101%.

On-balance sheet assets ¹		Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	23,865,499	12,239,843
2	(Assets deducted in determining Tier I Capital)	(1,953,307)	(716,536)
3	Total on-balance sheet risks (sum of lines 1 and 2)	21,912,192	11,523,307
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	-	-
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	17,164	12,034
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	17,164	12,034
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	-	-
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-	-
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	4,723,719	1,747,874
11	(Adjustments for conversion to credit equivalent amounts)	-	-
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	4,723,719	1,747,874
Capital and total risks			
13	Tier I Capital	2,555,284	1,621,695
14	Total risks (sum of lines 3, 6, 9 and 12)	26,653,075	13,283,215
Leverage ratio			
15	Leverage ratio %	9.6	12.2

¹The amounts in the table represent three-month averages.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

7. Explanations on fair values of financial assets and liabilities

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

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial assets				
Banks	397,908	302,064	397,908	302,064
Money market receivables	-	403,577	-	403,577
Financial Assets at Fair Value Through Other Comprehensive Income	4,065,410	895,777	4,065,410	895,777
Financial Assets Valued at Amortized Cost	-	69,798	-	69,417
Loans and Lease Receivables	13,772,911	7,497,860	13,572,560	7,450,497
Financial liabilities				
Current account and funds collected from banks via participation accounts.	-	-	-	-
Other current and profit-sharing accounts	18,830,552	9,482,970	18,798,610	9,482,970
Funds provided from other financial institutions	300,316	-	290,172	-
Issued securities	1,587,762	-	1,534,129	-
Miscellaneous Payables	94,975	175,919	94,975	175,919

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

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

9. Explanations on hedge accounting practices

None (31 December 2024 – None).

10. Explanations on risk management

Group's risk management approach

The purpose of risk management policies is to ensure the identification, measurement, reporting, monitoring and control of risks incurred on the basis of risk type as a result of the Group's activities.

When establishing internal regulations regarding risk management, at least the following issues are taken into account:

- Strategy, policy and implementation procedures of the Group's business lines,
- Compliance with the volume, nature and complexity of the bank's activities,
- The bank's risk strategy and the level of risk it can take,
- The bank's risk monitoring and management capacity,
- The bank's past experience and performance,
- Expertise levels of the managers of the departments carrying out the activities on issues related to their fields,
- Obligations foreseen in the law and other relevant legislation.

Risk management activities include the risks incurred and the risks arising from transactions carried out with the risk group to which the Group belongs; It consists of timely and comprehensive definition, measurement, monitoring, control and reporting activities.

The procedures and principles established for the proposal, evaluation, approval, announcement, monitoring and auditing of risk limits within the Group are approved by the Board of Directors. Risk limits are determined as part of the risk appetite structure, taking into account the size of the Group within the financial system, and clearly associating it with the amount of loss and the amount of capital allocated.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Board of Directors is responsible for ensuring that the bank's risk profile does not exceed the risk limits and that the realized values are monitored by the Group's Senior Management. Limit usage is closely monitored, and limit exceedances are immediately reported to the Senior Management so that necessary measures can be taken.

Limit excess exceptions are defined within the risk appetite structure and the rules to which the exceptions will be subject are determined in writing. Early warning limits and the procedures and principles to be applied, including carrying, reducing, transferring or avoiding the risk in cases where these limits are exceeded, are determined by the Board of Directors. Risk limits are regularly reviewed within the framework of current developments and adapted according to changes in the Group's strategy.

Risk appetite structure expresses the level of risk that the Group wants to carry in order to achieve its goals and strategies, taking into account its risk capacity. Risk appetite; Risk types and main indicators are divided and allocated to other levels deemed necessary and approved by the Board of Directors. The risk appetite structure is reviewed when deemed necessary, at least once a year.

The bank can be applied reliably and with integrity to measure the quantifiable risks it is exposed to and to evaluate the non-quantifiable risks; it establishes an effective systematic structure with internal regulations compatible with its structure, product types and fields of activity. The following points are taken into account when determining the methods or models to be used in risk measurement:

Risk Management System is prepared for the purpose of systematically managing the risks to which the Group is exposed; it refers to the Board of Directors, Audit Committee, Asset-Liability Committee and Risk Management Presidency ("RYB"). The Board of Directors owns the Risk Management System in the Group; It ensures the establishment of an effective, adequate and appropriate risk management system within the bank and the continuity of this system. The main purpose of the Group's Risk Management System is to monitor, keep under control and, when necessary, change the risk-return structure of the Group's future cash flows and accordingly the nature and level of activities, to ensure that risks are identified, measured, monitored and controlled.

GB1 - Overview of risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 31/12/2025	Prior Period 31/12/2024	Current Period 31/12/2025
1	Credit risk (excluding counterparty credit risk) (CCR)	9,094,978	5,029,493	727,598
2	Standardised approach (SA)	9,094,978	5,029,493	727,598
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	8,258	1,310	661
5	Standardised approach for counterparty credit risk	8,258	1,310	661
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal model's equity position in the banking account	-	-	-
8	Investment made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% risk weighting Approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	830,743	107,021	66,459
17	Standardised approach	830,743	107,021	66,459
18	Internal model approaches	-	-	-
19	Operational risk	1,065,504	798,758	85,240
20	Basic indicator approach	1,065,504	798,758	85,240
21	Standardised approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	10,999,483	5,936,582	879,958

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

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

Current Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				No subject to capital requirements or subject to dedication from capital
		Credit Risk	Counterparty Credit Risk	Securization Positions	Market Risk	
Assets						
Cash and Balances with Central Bank of Turkey	4,295,394	4,295,394	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	1,229,893	-	-	-	1,229,893	-
Financial Assets at Fair Value Through OCI	4,065,410	-	-	-	4,065,410	-
Derivative Financial Assets	2,235	-	2,235	-	2,235	-
Loans.net	13,649,294	13,649,294	-	-	-	-
Lease Receivables	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-
Property And Equipment Held For Sale Purpose And Related To Discontinued Operations (Net)	-	-	-	-	-	-
Associates (Net)	-	-	-	-	-	-
Subsidiaries	80,000	80,000	-	-	-	-
Jointly Controlled Entities (Joint Ventures) (Net)	-	-	-	-	-	-
Tangible Assets (Net)	173,808	173,808	-	-	-	-
Intangible Assets (Net)	631,670	631,670	-	-	-	631,670
Investment Properties (Net)	-	-	-	-	-	-
Current Tax Asset	39,971	39,971	-	-	-	-
Deferred Tax Asset	767,118	767,118	-	-	-	767,118
Other Assets	244,656	244,656	-	-	-	-
Total Assets	25,179,449	19,881,911	2,235	-	5,297,538	1,398,788
Liabilities						
Funds Collected	18,830,552	-	-	-	-	18,830,552
Borrowings	-	-	-	-	-	-
Debt to money markets	300,316	-	-	-	-	300,316
Securities Issued (Net)	1,587,762	-	-	-	-	1,587,762
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	6,366	-	6,366	-	6,366	-
Lease Payables	24,875	-	-	-	-	24,875
Provisions	60,834	-	-	-	-	60,834
Current Tax Liabilities	104,925	-	-	-	-	104,925
Deferred Tax Liabilities	-	-	-	-	-	-
Liabilities for Property And Equipment Held For Sale Purpose And Related To Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	-	-	-	-	-	-
Other Liabilities	335,737	-	-	-	-	335,737
Equity	3,928,082	-	-	-	-	3,928,082
Total Liabilities	25,179,449	-	6,366	-	6,366	25,173,083

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Prior Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Credit Risk	Counterparty Credit Risk	Securization Positions	Market Risk	No subject to capital requirements or subject to dedication from capital
Assets						
Cash and Balances with Central Bank of Turkey	2,129,476	2,129,476	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	820,835	-	-	-	820,835	-
Financial Assets at Fair Value Through OCI	895,777	895,777	-	-	-	-
Derivative Financial Assets	6,134	-	6,134	-	6,134	-
Loans,net	7,431,934	7,431,934	-	-	-	-
Lease Receivables	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	69,544	69,544	-	-	-	-
Property And Equipment Held For Sale Purpose And Related To Discontinued Operations (Net)	-	-	-	-	-	-
Associates (Net)	-	-	-	-	-	-
Subsidiaries	22,000	22,000	-	-	-	-
Jointly Controlled Entities (Joint Ventures) (Net)	-	-	-	-	-	-
Tangible Assets (Net)	172,184	172,184	-	-	-	-
Intangible Assets (Net)	382,354	382,354	-	-	-	382,354
Investment Properties (Net)	-	-	-	-	-	-
Current Tax Asset	16,403	16,403	-	-	-	-
Deferred Tax Asset	409,230	409,230	-	-	-	409,230
Other Assets	168,404	168,404	-	-	-	-
Total Assets	12,524,275	11,697,306	6,134	-	826,969	791,584
Liabilities						
Funds Collected	9,482,970	-	-	-	-	9,482,970
Borrowings	-	-	-	-	-	-
Debt to money markets	-	-	-	-	-	-
Securities Issued (Net)	-	-	-	-	-	-
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	10,398	-	10,398	-	10,398	-
Lease Payables	22,660	-	-	-	-	22,660
Provisions	49,082	-	-	-	-	49,082
Current Tax Liabilities	69,127	-	-	-	-	69,127
Deferred Tax Liabilities	-	-	-	-	-	-
Liabilities for Property And Equipment Held For Sale Purpose And Related To Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	-	-	-	-	-	-
Other Liabilities	237,271	-	-	-	-	237,271
Equity	2,652,767	-	-	-	-	2,652,767
Total Liabilities	12,524,275	-	10,398	-	10,398	12,513,877

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

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

Current Period	Total	Items subject to credit risk	Items subject to securitization	Items subject to counterparty credit risk	Items subject to market risk
1- Carrying Value of Assets in Accordance with TAS (as in template 1B)	25,179,449	19,881,911	-	2,235	5,297,538
2- Carrying Value of Liabilities in Accordance with TAS (as in template 1B)	-	-	-	-	-
3- Total net amount	25,179,449	19,881,911	-	2,235	5,297,538
4- Off-balance sheet amounts	2,275,396	2,275,396	-	-	-
5- Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7- Differences due to consideration of provisions	-	-	-	-	-
8- Differences due to prudential filters	-	-	-	-	-
9-Risk Amounts	27,454,845	22,157,307	-	2,235	5,297,538

Prior Period	Total	Items subject to credit risk	Items subject to securitization	Items subject to counterparty credit risk	Items subject to market risk
1- Carrying Value of Assets in Accordance with TAS (as in template 1B)	12,524,275	11,697,306	-	6,134	826,969
2- Carrying Value of Liabilities in Accordance with TAS (as in template 1B)	-	-	-	-	-
3- Total net amount	12,524,275	11,697,306	-	6,134	826,969
4- Off-balance sheet amounts	1,955,181	1,253,147	-	-	-
5- Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7- Differences due to consideration of provisions	-	-	-	-	-
8- Differences due to prudential filters	-	-	-	-	-
9-Risk Amounts	14,479,456	12,950,453	-	6,134	826,969

CRA - General qualitative information on credit risk

How the business model translates into the components of the Group's credit risk profile

The Group's business model essentially consists of two main areas of activity. Within the rules of interest-free banking, it collects funds through current accounts and profit/loss sharing accounts and provides funds to its customers through funds and equity. In line with this main business model, the bank has a credit-oriented asset structure. Reflecting the Group's business model, cash loans are predominantly included in total assets. The Group aims to increase the loan amount and thus achieve sustainable growth by providing funds mainly for the financing of the real sector and taking into account the risk-return balance.

The Group's risk profile shows the types of risks that the Group is exposed to or expects to be exposed to and the risk level based on risk type. The biggest type of risk that the Bank is exposed to and expects to be exposed to within the framework of its current and targeted business model is credit risk. Regarding credit risk concentrations, internal limits have been determined for the first 25, first 50 and first 100 debtors/credit risk groups on the basis of debtor and credit risk group.

Criteria and approach used for defining credit risk policy and for setting credit risk limits

The main purpose of the Credit Risk Policy is to measure the counterparty risk undertaken during credit transactions, monitor the risk against legal and our Group's limits, research new techniques and applications regarding the measurement and control of risk, monitor overdue receivables, analyze the reasons for delay, and take measures to prevent their recurrence. Credit Risk refers to the possibility of loss that the Group may incur due to the credit customer not complying with the requirements of the contract and not fulfilling its obligations partially or completely on time. This risk also includes loss of market value caused by deterioration in the counterparty's financial condition. The definition of credit risk used includes on-balance sheet and off-balance sheet transactions.

Risk limits; as part of the risk appetite structure, it is determined by taking into account the size of the Group within the financial system. In this context, the risk appetite approved by the Board of Directors; it is divided and allocated on the basis of risk types and other levels deemed necessary. Limit usage is closely monitored, and limit exceedances are reported to senior management so that necessary measures can be taken.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

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

The departments within the scope of internal systems have been established within the Group's organizational structure, reporting to the Board of Directors. Risk Management Department, Internal Control Department and Compliance Department carry out their activities under the supervision and coordination of the Risk Committee. The Board of Directors carries out its duties and responsibilities regarding internal audit through the Audit Committee consisting of three Board members. The Board of Inspectors carries out its internal audit activities under the supervision and coordination of the Audit Committee.

The Group's internal control function is carried out by the Internal Control Department. Internal Control System, in order to reduce, manage, monitor and control the risks to which the Group is exposed, in line with the Group's organizational structure and the scope of its activities and in accordance with changing conditions, it was established with the competence and effectiveness to cover all partnerships and all activities subject to consolidation. The internal control system and internal control activities at the Bank are designed together with the Internal Control Department and relevant senior managers and are carried out adequately and effectively.

The Compliance Department carries out studies to ensure that compliance risks in the Group are effectively managed and kept under control, that such risks are detected and prevented before they occur, and that the Group's activities are constantly carried out in accordance with the relevant legislation and regulations.

The Risk Management Department effectively carries out its duties of identifying, measuring and managing the risks faced by the Group. An effective risk management systems infrastructure is established for credit risk management activities, credit policy and risk management activities within the scope of credit risk policy. Internal credit risk limits determined by the decision of the Board of Directors are measured and presented to the Audit Committee and ALCO through periodic reports.

Inspection Board Presidency is responsible for providing assurance to the board of directors and senior management that the Bank's activities are carried out in line with the Banking Law and other relevant legislation and the Group's internal strategies, policies, principles and targets, and the effectiveness and adequacy of internal control and risk management systems.

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

The Senior Risk Management Report, which is the basic report provided to the Board of Directors and senior management, is prepared quarterly. The main content of the report includes the following issues.

Quality of the assets are analyzed in accordance with the classification specified in the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside and the assets are compared with those of the previous fiscal period to monitor the sustainability of the asset quality. Credit risk limits and realizations in the relevant period are included.

The shares of economic sectors in credit disbursement and their development trends are monitored. Risk limits and their realizations defined regarding our bank's risk appetite are included. In the section where key risk indicators are monitored, the ratio of credit risk-weighted items to total assets, the ratio of gross follow-up amount to the total financing (cash loans) portfolio, as well as their distribution according to each sector, distribution of collaterals on the basis of collateral groups, the total financing (cash and non-cash) of the top 25, 50,100 risk loans ratio to its portfolio.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

The distribution of cash loans according to maturity is monitored. Explanations about limits, risks, guarantee and provision amounts, sector information and the status of companies are included. Additionally, disbursements are reported to the Group's Risk Group.

It prepared loan portfolios according to the bank's own internal segment structure. These segments are further divided into sub-segments. Risk realizations are monitored on a cash, non-cash and total basis on the basis of these portfolios.

Credit quality of assets

Current period		Gross amount valued as per TAS and presented in the financial statements prepared according to legal consolidation		Provisions / depreciation and impairment	Net amount
		Defaulted	Non-Defaulted		
1	Loans	506,844	13,266,067	123,617	13,649,294
2	Debt securities	-	4,065,410	8,730	4,056,680
3	Off-balance sheet exposures	-	2,848,465	3,432	2,845,033
4	Total	506,844	20,179,942	135,779	20,551,007

Prior period		Gross amount valued as per TAS and presented in the financial statements prepared according to legal consolidation		Provisions / depreciation and impairment	Net amount
		Defaulted	Non-Defaulted		
1	Loans	191,431	7,306,429	65,926	7,431,934
2	Debt securities	-	965,575	2,424	963,151
3	Off-balance sheet exposures	-	1,955,181	7,876	1,947,305
4	Total	191,431	10,227,185	76,226	10,342,390

Changes in stock of defaulted loans and debt securities

	Current Period	Prior Period	
1	Defaulted loans and debt securities at end of the previous reporting period	191,431	-
2	Loans and debt securities that have been defaulted since the last reporting period	394,734	191,732
3	Receivables back to non-defaulted status	-	-
4	Amounts written off/sold from assets	(65,045)	-
5	Other changes	(14,276)	(301)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	506,844	191,431

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Provisions based on geographical and written off amounts

	Current Period			Prior Period		
	NPL	Specific Provisions	Write-offs/ Sales	NPL	Specific Provisions	Write-offs
Domestic	506,844	96,525	65,045	191,431	34,278	-
EU Countries	-	-	-	-	-	-
USA and Canada	-	-	-	-	-	-
OECD Countries	-	-	-	-	-	-
Off-shore Banking Regions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	506,844	96,525	65,045	191,431	34,278	-

Provisions based on sectoral concentration and written off amounts

	Current Period			Prior Period		
	NPL	Specific Provisions	Write-offs/ Sales	NPL	Specific Provisions	Write-offs
Agriculture	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
Fishery	-	-	-	-	-	-
Manufacturing	253,394	64,227	-	146,646	17,010	-
Mining and Quarrying	-	-	-	-	-	-
Production	242,821	63,539	-	136,073	11,999	-
Electricity, Gas and Water	10,573	688	-	10,573	5,011	-
Construction	-	-	-	-	-	-
Services	228,366	15,486	-	13,855	2,380	-
Wholesale and Retail Trade	227,288	14,718	-	13,855	2,380	-
Accommodation and Dining	-	-	-	-	-	-
Transportation and Communication	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-
Real Estate and Rental Services	1,078	768	-	-	-	-
Professional Services	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-
Others	25,084	16,812	65,045	30,930	14,888	-
Total	506,844	96,525	65,045	191,431	34,278	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Qualitative disclosures related to the credit quality of assets

Scope and definitions of “overdue” and “provision allocated” receivables for accounting purposes and the differences of definitions between “overdue” and “provision allocated”, if any

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

Definitions of the methods used when determining the provision amount

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

Definition of restructured receivables

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

Breakdown of cash loans by sector

Sectors	Current Period	Prior Period
Agriculture	81,221	96,391
Farming and Stockbreeding	81,221	96,391
Forestry	-	-
Fishery	-	-
Manufacturing	4,770,953	2,420,566
Mining and Quarrying	42,972	111,400
Production	4,665,922	2,228,519
Electricity, Gas and Water	62,059	80,647
Construction	183,494	265,817
Services	8,421,354	4,348,764
Wholesale and Retail Trade	4,194,077	1,667,688
Accommodation and Dining	296,314	77,722
Transportation and Communication.	503,340	296,956
Financial Institutions	465,862	836,853
Real Estate and Rental Services	2,878,972	1,366,132
Professional Services	-	-
Educational Services	-	-
Health and Social Services	82,789	103,413
Others	315,889	366,322
Total	13,772,911	7,497,860

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Remaining maturities of the cash loans

It was presented at disclosures of remaining maturities of the assets and liabilities.

Credit Risk Mitigation

CRM - Qualitative information on Credit Risk Mitigation Techniques

Credit policies establish an operational link between the Group's activities and risk capacity and cover the main areas of activity compatible with the target portfolio structure, risk targets for expected and unexpected losses compatible with the risk capacity, and limits regarding risk concentration. It is ensured that the limits comply with the relevant legislation and the limitations determined by the regulatory and supervisory authorities. The Group uses a holistic approach in concentration risk management, where all risk concentrations are identified, monitored and evaluated.

Within the scope of capital adequacy ratio calculations, the credit risk the Group is exposed to and the credit risk mitigation techniques used to reduce this risk are taken into account within the standards specified in the legislation.

Credit risk mitigation techniques

	Current period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	13,450,918	198,376	198,376	88,598	88,598	-	-
2	Debt Securities	4,056,680	-	-	-	-	-	-
3	Total	17,507,598	198,376	198,376	88,598	88,598	-	-
4	Overdue	506,844	-	-	-	-	-	-

	Prior period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	6,141,062	1,290,872	721,288	544,733	176,555	-	-
2	Debt Securities	963,151	-	-	-	-	-	-
3	Total	7,104,213	1,290,872	721,288	544,733	176,555	-	-
4	Overdue	191,431	-	-	-	-	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

Explanations on Counterparty Credit Risk (CCR)

Risk management objectives and policies for CCR

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

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

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

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

All of the Group's counterparty credit risk and central counterparty limits are non-committed limits and they include cash, non-cash and guarantee limits. If required, cash collateral is sought in order to minimize the exposure. In case of transactions involving cash risk exposure, the risk exposure is mitigated by obtaining shares and bills (sukuk) as security.

Counterparty credit risk (CCR) approach analysis

Current Period		Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives)	2,235	14,148		1.4	22,936	8,214
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						8,214

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

	Prior Period	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives)	(4,264)	35,997		1.4	35,997	1,742
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						1,742

Capital requirement for credit valuation adjustment (CVA)

	Current Period		Prior period	
	Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts	Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts
Total portfolios subject to the Advanced CVA capital obligation				
1 (i) VaR component (including the 3×multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3 All portfolios subject to the Standardized CVA capital obligation	22,936	44	35,997	1,742
4 Total subject to the CVA capital obligation	22,936	44	35,997	1,742

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR AS OF 31 DECEMBER 2025

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

CCR exposures by risk class and risk weights

Current Period - Risk Classes / Risk Weights ¹		0%	10%	20%	50%	75%	100%	150%	200%	Others	Total credit risk ¹
1	Receivables from central governments and Central Banks	6,508	-	-	-	-	-	-	-	-	6,508
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	-	16,428	-	-	-	-	-	16,428
7	Receivables from corporate	-	-	-	-	-	-	-	-	-	-
8	Retail receivables	-	-	-	-	-	-	-	-	-	-
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	Total	6,508	-	-	16,428	-	-	-	-	-	22,936

¹ Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

Prior Period - Risk Classes / Risk Weights ¹		0%	10%	20%	50%	75%	100%	150%	200%	Others	Total credit risk ¹
1	Receivables from central governments and Central Banks	29,447	-	-	-	-	-	-	-	-	29,447
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	6,010	-	-	540	-	-	-	6,550
7	Receivables from corporate	-	-	-	-	-	-	-	-	-	-
8	Retail receivables	-	-	-	-	-	-	-	-	-	-
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	Total	29,447	-	6,010	-	-	540	-	-	-	35,997

¹ Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

11. Securitization Positions

None.

12. Qualitative explanations on market risk

Group's processes and strategies

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

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

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

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

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

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

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

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

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

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Structure and scope of risk reporting and/or measurement systems

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

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

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

Market risk under standardised approach

		Risk Weighted Amounts	
		Current Period	Prior Period
	Outright products	830,743	107,021
1	Profit share risk (general and specific)	774,435	53,416
2	Equity risk (general and specific)	41,564	1,742
3	Foreign exchange risk	14,744	51,863
4	Commodity risk	-	-
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	830,743	107,021

Explanations on Operational Risk

To calculate the operational risk capital requirement, the Group uses the Basic Indicator Method in accordance with Article 24 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks.

Current Period	31.12.2022	31.12.2023	31.12.2024	Total/ Positive GI year number	Ratio (%)	Total
Basic Indicator Method						
Gross Revenue	-	426,004	710,533	568,269	15	85,240
Amount Subject to Operational Risk (Total*12,5)						1,065,504

Prior Period	31.12.2021	31.12.2022	31.12.2023	Total/ Positive GI year number	Ratio (%)	Total
Basic Indicator Method						
Gross Revenue	-	-	426,004	426,004	15	63,901
Amount Subject to Operational Risk (Total*12,5)						798,758

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Profit-share rate risk related to banking book

Profit Rate Risk in the Banking Book (IRRBB) refers to the risk that potential changes in profit rates may affect the Bank's capital due to differences in the repricing periods and profit rate structures of profit rate-sensitive assets and liabilities monitored in the banking book within the scope of participation banking. IRRBB is calculated and reported on a monthly basis in accordance with the "Regulation on the Measurement and Evaluation of Interest Rate Risk Arising from Banking Book Positions under the Standard Approach," which was published in the Official Gazette dated 12 May 2025 and numbered 32898, and entered into force as of 1 October 2025.

The management of IRRBB is based on the joint monitoring of changes in the Bank's economic value (Economic Value of Equity – EVE) and the effects on net profit share income (Net Profit Share Income – NPSI). In order to ensure the timely identification of potential risks arising from the financial and economic environment, internal stress tests and scenario analyses are conducted in compliance with regulatory requirements. The analyses performed within this scope are regularly reported to the Asset-Liability Committee and senior management, thereby supporting effective oversight and decision-making processes. Compliance with IRRBB limits established by the Board of Directors is periodically monitored and reported by the Risk Management Department.

In EVE calculations, TLREF is used as the discount yield curve for TRY, ESTR for EUR, and SOFR for USD, in line with participation banking practices.

Disclosures related to net profit share income, including current and prior period data, as well as prior period EVE data, have not been disclosed in the footnotes, as their disclosure has been deferred until 31 December 2026 pursuant to the provisional article of the Communiqué on Public Disclosures on Risk Management by Banks.

	Current Period EVE
Parallel Up	145,997
Parallel Down	(138,566)
Steeper	(60,869)
Flattener	84,043
Short-term Up	150,820
Short-term Down	(141,330)
Maximum	150,820
Tier-I Capital	2,509,997

Risk management objectives and policies

Stress tests and scenario analyzes regarding capital adequacy in line with market movements, the course of the economy and the Bank's strategic growth, and the evaluation of economic developments in the world and in Turkey are presented to the Risk Committee and the Board of Directors by RM. These analyzes make significant contributions to the decision-making processes of the Group's senior management regarding risk appetite and risk awareness, capital adequacy, strategy revisions and future forecasts.

In addition, RM coordinates business continuity and related issues with a proactive approach to ensure that the Group is always ready and that quick action can be taken in case of an emergency.

RM continues all kinds of risk monitoring and analysis activities to enable the Board of Directors to manage the risks that may arise in line with the Bank's mission, vision and growth strategy. In this context, in addition to studies on credit and market risks, liquidity risk, operational risks and all limits, IT risks, internal individual and corporate rating modelling, IT risk assessment, key risk indicators, operational risk insurance, market risk calculations, treasury transactions and asset-liability risks are monitored.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

13. Explanations on business segments

Selected balance sheet and income statement items according to segments

Current Period	Retail Banking	Corporate and Commercial banking	Treasury and international banking	Unallocated	Group's total operation
Profit Share Income	50,557	2,984,655	1,563,142	-	4,598,354
Profit Share Expense (-)	1,967,862	1,797,898	218,373	10,057	3,994,190
Net Profit Share Income/Expense	(1,917,305)	1,186,757	1,344,769	(10,057)	604,164
Net Fees and Commissions Income/Expense	7,856	29,822	(14,415)	-	23,263
Dividend Income	-	-	-	-	-
Net Trading Income / Loss	-	-	692,644	-	692,644
Other Operating Income	20,780	26,609	2,229	21,507	71,125
Gross Operating Profit/Loss	(1,888,669)	1,243,188	2,025,227	11,450	1,391,196
Provision Expenses (-)	13,099	144,088	8,548	26,489	192,224
Operating Expenses (-)	-	-	-	1,857,812	1,857,812
Profit/Loss Before Taxation	(1,901,768)	1,099,100	2,016,679	(1,872,851)	(658,840)
Taxation	-	-	-	380,763	380,763
Net Profit/Loss	(1,901,768)	1,099,100	2,016,679	(1,492,088)	(278,077)
Segment Assets	289,940	13,277,230	9,675,056	1,937,223	25,179,449
Total Liabilities	5,969,494	12,857,625	1,594,128	4,758,202	25,179,449

Prior Period	Retail Banking	Corporate and Commercial banking	Treasury and international banking	Unallocated	Group's total operation
Profit Share Income	68,350	1,065,428	575,943	-	1,709,721
Profit Share Expense (-)	1,101,860	364,239	528	4,487	1,471,114
Net Profit Share Income/Expense	(1,033,510)	701,189	575,415	(4,487)	238,607
Net Fees and Commissions Income/Expense	(11,845)	6,865	(7,168)	(729)	(12,877)
Dividend Income	-	-	-	-	-
Net Trading Income / Loss	-	-	483,349	-	483,349
Other Operating Income	-	68	733	653	1,454
Gross Operating Profit/Loss	(1,045,355)	708,122	1,052,329	(4,563)	710,533
Provision Expenses (-)	16,234	55,514	3,332	13,747	88,827
Operating Expenses (-)	-	-	-	1,419,138	1,419,138
Profit/Loss Before Taxation	(1,061,589)	652,608	1,048,997	(1,437,448)	(797,432)
Taxation	-	-	-	357,408	357,408
Net Profit/Loss	(1,061,589)	652,608	1,048,997	(1,080,040)	(440,024)
Segment Assets	343,586	6,434,969	4,575,145	1,170,575	12,524,275
Total Liabilities	4,882,261	4,592,833	10,398	3,038,783	12,524,275

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Explanations and notes related to consolidated assets

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

Cash and balances with the Central Bank of Republic of Türkiye

	Current period		Prior period	
	TL	FC	TL	FC
Cash/foreign currency	-	-	-	-
The Central Bank of Republic of Türkiye	1,948,359	1,643,176	140,178	594,620
Other ¹	-	306,867	-	689,297
Total	1,948,359	1,950,043	140,178	1,283,917

¹ As of 31 December 2025, precious metal deposit amount of TL 306,867 (31 December 2024 - TL 689,297) are presented.

Balances with the Central Bank of Türkiye

	Current period		Prior period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	1,948,359	9	140,178	7
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	1,643,167	-	594,613
Total	1,948,359	1,643,176	140,178	594,620

In accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2013/15, banks operating in Türkiye are required to maintain reserves in CBRT for TL and foreign currency liabilities. As of 31 December 2025, the Group’s applicable rates for Turkish lira required reserves are between 3% and 40%, depending on the maturity structure for participation funds and other liabilities and the applicable rates for FX required reserves are between 5% and 32%, depending on the maturity structure of participation funds and other liabilities.

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

	Current period	Prior period
Debt Securities	-	-
Quoted on stock exchange	-	-
Unquoted on stock exchange	-	-
Share certificates/Investment Funds	1,229,893	820,835
Quoted on stock exchange	1,229,893	820,835
Unquoted on stock exchange	-	-
Impairment provision (-)	-	-
Total	1,229,893	820,835

	Current period	Prior period
Given as collateral/blocked	-	-
Subject to repo transactions	-	-
Total	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions ¹	-	75	5,155	-
Swap transactions	2,160	-	979	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	2,160	75	6,134	-

¹ Includes forward asset purchase and sales commitments.

1.3 Information on Banks

	Current period		Prior period	
	TL	FC	TL	FC
Banks	594	397,314	467	301,597
Domestic	594	301,727	467	217,130
Foreign	-	95,587	-	84,467
Headquarters and branches abroad	-	-	-	-
Total	594	397,314	467	301,597

Information on foreign banks account

	Unrestricted Amount		Restricted Amount	
	Current period	Prior period	Current period	Prior period
EU Countries	1,848	33,037	-	-
USA and Canada	38,877	25,898	-	-
OECD Countries ¹	54,854	25,532	-	-
Off-shore Banking Regions	-	-	-	-
Other	8	-	-	-
Total	95,587	84,467	-	-

¹ EU countries, OECD countries other than the US and Canada

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

	Current period	Prior period
Debt Securities	4,045,938	881,951
Quoted on stock exchange	4,045,938	881,951
Not quoted on stock exchange	-	-
Share certificates/Investment Funds	21,131	15,590
Quoted on stock exchange	1,041	-
Not quoted on stock exchange ¹	20,090	15,590
Impairment provision (-)	(1,659)	(1,764)
Total	4,065,410	895,777

¹ The shares of Katılım Finans Kefalet A.Ş amounting to TL 20,090 (31 December 2024 – TL 15,590), since the share ratios in the partnerships are below 10% are classified as financial assets at fair value through other comprehensive income and the Bank does not have a significant influence on these entities

	Current period	Prior period
Given as collateral/blocked	1,612,372	565,829
Subject to repo transactions	290,183	-
Total	1,902,555	565,829

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

1.5 Explanations on financial assets measured at amortized cost

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

	Current period		Prior period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	-	433,988	137,645	195,190
Corporate shareholders	-	433,988	137,645	195,190
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	982	-	16,818	-
Total	982	433,988	154,463	195,190

Information on Standard Loans, Loans Under close monitoring and restructured Loans Under Close monitoring

Current Period	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
Cash Loans				Revised Contract Terms
Loans	13,072,410	158,481	35,176	-
Export Loans	951,180	-	-	-
Import Loans	193,190	-	-	-
Corporation Loans	11,065,577	157,329	33,877	-
Consumer Loans	287,821	1,152	1,299	-
Credit Cards	74,244	-	-	-
Loans Given to Financial Sector	465,512	-	-	-
Other	34,886	-	-	-
Other Receivables	-	-	-	-
Total	13,072,410	158,481	35,176	-

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
Cash Loans				Revised Contract Terms
Loans	7,243,262	60,824	2,343	-
Export Loans	426,942	136	-	-
Import Loans	63,797	-	-	-
Corporation Loans	5,557,301	54,996	-	-
Consumer Loans	320,855	5,692	2,343	-
Credit Cards	6	-	-	-
Loans Given to Financial Sector	836,853	-	-	-
Other	37,508	-	-	-
Other Receivables	-	-	-	-
Total	7,243,262	60,824	2,343	-

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

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	23,198	-	29,908	-
Significant Increase in Credit Risk	-	3,894	-	1,740
Total	23,198	3,894	29,908	1,740

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Number of modifications made to extend payment plan and extended period of time

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
Extended by 1 or 2 Times	-	35,176	-	2,343
Extended by 3,4 or 5 Times	-	-	-	-
Extended by More Than 5 Times	-	-	-	-
Total	-	35,176	-	2,343

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
0-6 Months	-	-	-	-
6-12 Months	-	727	-	2,343
1-2 Years	-	18,231	-	-
2-5 Years	-	16,218	-	-
5 Years and Over	-	-	-	-
Total	-	35,176	-	2,343

Distribution of cash loans and other receivables according to their maturities

Current Period	Standard Loans	Loans Under Close Monitoring	
		Not Subject to Restructuring	Restructured
Short Term Loans	6,488,022	42,638	583
Medium- and Long-Term Loans	6,584,388	115,843	34,593
Total	13,072,410	158,481	35,176

Prior Period	Standard Loans	Loans Under Close Monitoring	
		Not Subject to Restructuring	Restructured
Short Term Loans	3,312,241	16,679	569
Medium- and Long-Term Loans	3,931,021	44,145	1,774
Total	7,243,262	60,824	2,343

Allocation of loans by customers

	Current period	Prior period
Public	-	-
Private	13,772,911	7,497,860
Total	13,772,911	7,497,860

Breakdown of domestic and foreign loans

	Current period	Prior period
Domestic loans	13,697,405	7,497,860
Foreign loans	75,506	-
Total	13,772,911	7,497,860

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Loans granted to subsidiaries and associates

	Current	Prior period
Direct Loans Granted to Subsidiaries and Associates	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	-	-

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

Current Period	Short term	Medium and long term	Total
Consumer Loans-TL	204,777	85,045	289,822
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	204,777	85,045	289,822
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards- TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans- TL	332	118	450
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	332	118	450
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	532	-	532
With Installment	-	-	-
Without Installment	532	-	532
Personnel Credit Cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft Account- TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	205,641	85,163	290,804

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Prior Period	Short term	Medium and long term	Total
Consumer Loans-TL	196,947	115,125	312,072
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	196,947	115,125	312,072
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards- TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans- TL	16,134	684	16,818
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	16,134	684	16,818
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft Account- TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	213,081	115,809	328,890

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Information on commercial installment loans and corporate credit cards

Current Period	Short Term	Medium and Long Term	Total
Commercial installment loans-TL	-	34,885	34,885
Business residential loans	-	-	-
Automobile loans	-	34,885	34,885
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans- Indexed to FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	73,712	-	73,712
Installment	3,305	-	3,305
Non-Installment	70,407	-	70,407
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-TL (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	73,712	34,885	108,597

Prior Period	Short Term	Medium and Long Term	Total
Commercial installment loans-TL	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans- Indexed to FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	6	-	6
Installment	3	-	3
Non-Installment	3	-	3
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-TL (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	6	-	6

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Specific provisions for loans or default (third stage) provisions

	Current Period	Prior Period
Loans and receivables with limited collectability	31,938	28,200
Loans and receivables with doubtful collectability	48,093	6,078
Uncollectible loans and receivables	16,494	-
Total	96,525	34,278

Information on non-performing loans (Net)

Information on the movement of total non-performing loans

Current period	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Ending balance of prior period	169,394	22,037	-
Additions in the current period (+)	394,203	484	47
Transfers from other categories of NPLs (+)	-	448,435	230,538
Transfers to other categories of NPLs (-)	(448,435)	(230,538)	-
Collections in the current period (-)	(11,013)	(3,089)	(174)
Write offs (-)	-	-	-
Sold Portfolio (-) ¹	-	-	(65,045)
Corporate and commercial loans	-	-	-
Retail loans	-	-	(65,045)
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	104,149	237,329	165,366
Provisions (-)	(31,938)	(48,093)	(16,494)
Net balances on balance sheet	72,211	189,236	148,872

¹ Non-performing loans amounting to TL 65,045 were sold to an asset management company for TL 7,100.

Prior period	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Ending balance of prior period	-	-	-
Additions in the current period (+)	189,280	2,452	-
Transfers from other categories of NPLs (+)	-	19,585	-
Transfers to other categories of NPLs (-)	(19,585)	-	-
Collections in the current period (-)	(301)	-	-
Write offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	169,394	22,037	-
Provisions (-)	(28,200)	(6,078)	-
Net balances on balance sheet	141,194	15,959	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period (Net)	72,211	189,236	148,872
Loans granted to real persons and legal entities (Gross)	104,149	237,329	165,366
Provision (-)	(31,938)	(48,093)	(16,494)
Loans to real persons and legal entities (Net)	72,211	189,236	148,872
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-
Prior period (Net)	141,194	15,959	-
Loans granted to real persons and legal entities (Gross)	169,394	22,037	-
Provision (-)	(28,200)	(6,078)	-
Loans to real persons and legal entities (Net)	141,194	15,959	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)	1,645	16,857	16,952
Profit share accruals, discount and valuation	2,405	18,548	18,685
Provision (-)	(760)	(1,691)	(1,733)
Prior Period (Net)	15,895	1,715	-
Profit share accruals, discount and valuation	19,436	2,432	-
Provision (-)	(3,541)	(717)	-

Information on loans and other receivables that are restructured by the Bank or subject to a new amortization plan, among non-performing loans

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period			
Gross amounts before provisions	2,678	156,719	-
Restructured loans	2,678	156,719	-
Prior Period			
Gross amounts before provisions	-	-	-
Restructured loans	-	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Information on non-performing receivables arising from loans granted in foreign currency

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period			
Balance (gross)	24,318	45,394	-
Provision (-)	(12,688)	(21,720)	-
Balance (net)	11,630	23,674	-
Prior Period			
Balance (gross)	-	-	-
Provision (-)	-	-	-
Balance (net)	-	-	-

Main guidelines for liquidation process of uncollectible loans and other receivables

Loans and other receivables, which were deemed uncollectible according to the “Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans” published in the Official Gazette No. 26333 dated 1 November 2006 and for which a full impairment provision has been made, are written off as per the decision of the Group top management.

Information on the write-off policy

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

1.6 Information on other financial assets measured at amortized cost

	Current period	Prior period
Debt Securities	-	69,798
Quoted on a Stock Exchange	-	69,798
Not Quoted	-	-
Impairment provision (-)	-	-
Total	-	69,798

There is no expected loss provision for other financial assets measured at amortized cost (31 December 2024 – 254 TL).

	Current period	Prior period
Given as collateral/blocked	-	-
Subject to repo transactions	-	-
Total	-	-

Information on government debt securities measured at amortized cost

	Current period	Prior period
Government bonds	-	-
Treasury bills	-	-
Other public sector debt securities	-	69,798
Total	-	69,798

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

	Current period	Prior period
Opening Balance	69,798	60,667
Foreign Exchange Gain/Loss	12,805	11,576
Purchases During the Year	240,000	20,349
Disposals Through Sales and Redemptions	(322,603)	(22,794)
Impairment provision (-)	-	-
Total	-	69,798

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

1.7 Information on investment in associates (Net)

None (31 December 2024 – None).

1.8 Information on subsidiaries (Net)

Although the Parent Bank retains control over the capital and management of its non-financial subsidiaries, Hayat Fintek Çözümleri A.Ş. does not consolidate its subsidiary because it does not comply with the definition of financial partnership specified in the "Communiqué on the Arrangement of Consolidated Financial Statements of Banks" published in the Official Gazette dated 8 November 2006 and numbered 26340. The Parent Bank consolidates the financial statements of its subsidiary Hayat Varlık Kiralama A.Ş. using the full consolidation method.

	Name	Address (City/Country)	The Parent Bank's share percentage – if different, voting percentage (%)	Bank risk group share ratio (%)
1	Hayat Fintek Çözümleri A.Ş.	İstanbul/Türkiye	100	100
2	Hayat Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100

Information on subsidiaries in the order above

	Total Assets	Equity	Total Fixed Assets	Profit Share Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair value
1	173,436	30,146	141,480	3,855	-	(32,375)	(20,537)	-
2	1,588,029	259	-	29	-	(66)	-	-

Movement table for subsidiaries

	Current Period	Prior Period
Beginning Value	22,000	-
Movements During the Period	58,000	22,000
Purchases ¹	58,000	22,000
Shares Acquired Gratuitously	-	-
Profit Received from Current Year Share	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provisions	-	-
Ending Value	80,000	22,000
Capital Commitments	-	58,000
End of Period Capital Contribution Share (%)	-	-

¹ Hayat Fintek Çözümleri A.Ş.'s paid-in capital, which was TL 22,000, was increased by TL 58,000 to TL 80,000 on June 24, 2025.

	Current Period	Prior Period
Financial Subsidiaries	-	-
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	-	-
Non-Financial Subsidiaries	80,000	22,000
Total	80,000	22,000

Since the Parent Bank does not have any significant subsidiaries, the capital adequacy ratio for the subsidiary has not been calculated. (31 December 2024 - None).

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Subsidiaries listed on the stock exchange

None (31 December 2024 – None).

Information on subsidiaries disposed of during the current period

None (31 December 2024 – None).

1.9 Information on joint ventures (business partnerships) (Net)

None (31 December 2024 – None).

1.10 Information on finance lease receivables (Net)

None (31 December 2024 – None).

1.11 Information on derivative financial assets for hedging purposes

None (31 December 2024 – None).

1.12. Explanations on Tangible Assets

Current period	Buildings	Vehicles	Right of Use Assets	Other Tangible Assets	Total
Prior period ending					
Cost	-	70,127	25,889	110,291	206,307
Accumulated depreciation (-)	-	(16,316)	(4,956)	(12,851)	(34,123)
Prior Period Ending Net Book Value	-	53,811	20,933	97,440	172,184
Current Period Beginning Net Book Value	-	53,811	20,933	97,440	172,184
Additions	-	7,324	5,591	40,924	53,839
Disposal (-), cost	-	-	-	(1,034)	(1,034)
Disposal, accumulated depreciation	-	-	-	1,034	1,034
Depreciation (-)	-	(14,499)	(6,849)	(30,867)	(52,215)
Current Period Ending Net Book Value	-	46,636	19,675	107,497	173,808
Current Period Ending Cost	-	77,451	31,480	150,181	259,112
Current Period Ending Acc.Depreciation (-)	-	(30,815)	(11,805)	(42,684)	(85,304)
Current Period Ending Net Book Value	-	46,636	19,675	107,497	173,808

Prior Period	Buildings	Vehicles	Right of Use Assets	Other Tangible Assets	Total
Prior period ending					
Cost	-	51,577	4,896	21,471	77,944
Accumulated depreciation (-)	-	(4,643)	(1,418)	(3,098)	(9,159)
Prior Period Ending Net Book Value	-	46,934	3,478	18,373	68,785
Current Period Beginning Net Book Value	-	46,934	3,478	18,373	68,785
Additions	-	18,550	20,993	89,559	129,102
Disposal (-), cost	-	-	-	(739)	(739)
Disposal, accumulated depreciation	-	-	-	739	739
Depreciation (-)	-	(11,673)	(3,538)	(10,492)	(25,703)
Current Period Ending Net Book Value	-	53,811	20,933	97,440	172,184
Current Period Ending Cost	-	70,127	25,889	110,291	206,307
Current Period Ending Acc.Depreciation (-)	-	(16,316)	(4,956)	(12,851)	(34,123)
Current Period Ending Net Book Value	-	53,811	20,933	97,440	172,184

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

1.13. Explanations on Intangible Assets

Gross carrying value and accumulated amortization balances at the beginning and at the end of the period

	Current period	Prior period
Cost	700,348	410,368
Accumulated Amortization	(68,678)	(28,014)
Total (net)	631,670	382,354

Movements of intangible assets between the beginning and the end of the period

	Current period	Prior period
Opening balance	382,354	133,224
Additions	316,987	270,876
Disposals (-), net	-	-
Transfers, net	(26,274)	-
Depreciation amount (-)	(41,397)	(21,746)
Closing net book value	631,670	382,354

1.14. Explanations on investment property

None (31 December 2024 – None).

1.15. Information on deferred tax asset

	Current period	Prior period
Employee Benefits Liability	6,340	7,881
TFRS 9 Provisions	12,553	12,885
Other Provisions	1,051	7,917
Carried Tax Loss ¹	704,569	398,458
Marketable Securities	16,252	-
Fixed Assets	5,035	-
Other	24,278	12,813
Deferred Tax Assets	770,078	439,954
Fixed Assets	-	(28,884)
Other	(2,960)	(1,840)
Deferred Tax Liabilities	(2,960)	(30,724)
Net Deferred Tax Assets / (Liabilities)	767,118	409,230

¹ The recoverability of the deferred tax asset calculated from carried tax losses has been taken into account by assuming that the Parent Bank can use the deductible temporary differences and financial losses in the future before their expiration date, consistent with the budget approved by the Board of Directors.

Table of deferred tax asset movement

	Current period	Prior period
Opening Balance	409,230	52,487
Deferred Tax Income /(Expense)	380,770	357,408
Deferred Tax Accounted Under Other Comprehensive Income	(22,882)	(665)
Net Deferred Tax Assets / (Liabilities)	767,118	409,230

The years in which the right to use carried tax losses will expire are as follows.

	Current	Prior period
2028	182,066	181,960
2029	1,153,457	1,146,234
2030	1,013,042	-
Total	2,348,565	1,328,194

1.16. Assets held for sale and assets of discontinued operations

None (31 December 2024 – None).

1.17. Information on other assets

As of balance sheet date, the Group's other assets amount to TL 244,656 (31 December 2024 – TL 168,404) and other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

2. Explanations and notes related to consolidated liabilities

2.1 Information on funds collected

Information on maturity structure of funds collected

Current Period	Demand	Up to 1 Month	Up to 3 Months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Acc. profit sharing accounts	Total
I. Real persons current accounts-TL	71,390	-	-	-	-	-	-	-	71,390
II. Real persons profit sharing accounts TL	-	911,580	3,500,550	93,391	16,648	727	8,795	-	4,531,691
III. Other current accounts- TL	383,161	-	-	-	-	-	-	-	383,161
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	383,160	-	-	-	-	-	-	-	383,160
Other institutions	-	-	-	-	-	-	-	-	-
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	1	-	-	-	-	-	-	-	1
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	1	-	-	-	-	-	-	-	1
Others	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	-	1,439,788	6,206,185	-	-	-	70,670	-	7,716,643
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	1,439,788	3,635,398	-	-	-	70,670	-	5,145,856
Other institutions	-	-	2,570,787	-	-	-	-	-	2,570,787
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts-FC	39,739	-	-	-	-	-	-	-	39,739
VI. Real persons profit sharing accounts-FC	-	2,579	341,334	95	100,862	109	493,770	-	938,749
VII. Other current accounts-FC	1,363,896	-	-	-	-	-	-	-	1,363,896
Commercial residents in Türkiye	1,363,896	-	-	-	-	-	-	-	1,363,896
Commercial residents in Abroad	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	29,710	2,954,377	378,240	-	-	-	-	3,362,327
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	29,710	2,932,745	378,240	-	-	-	-	3,340,695
Other institutions	-	-	21,632	-	-	-	-	-	21,632
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	422,956	-	-	-	-	-	-	-	422,956
X. Profit sharing accounts special funds - TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total	2,281,142	2,383,657	13,002,446	471,726	117,510	836	573,235	-	18,830,552

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Prior Period	Demand	Up to 1 Month	Up to 3 Months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Acc. profit sharing accounts	Total
I. Real persons current accounts-TL	39,088	-	-	-	-	-	-	-	39,088
II. Real persons profit sharing accounts TL	-	857,951	2,981,981	154,807	3,157	980	672	-	3,999,548
III. Other current accounts- TL	674,118	-	-	-	-	-	-	-	674,118
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	674,099	-	-	-	-	-	-	-	674,099
Other institutions	19	-	-	-	-	-	-	-	19
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	-	143,795	647,950	1,309,904	-	-	-	-	2,101,649
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	143,795	174,916	1,255,603	-	-	-	-	1,574,314
Other institutions	-	-	473,034	54,301	-	-	-	-	527,335
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts-FC	10,539	-	-	-	-	-	-	-	10,539
VI. Real persons profit sharing accounts-FC	-	3,204	289,512	171	115,443	-	355,446	-	763,776
VII. Other current accounts-FC	724,894	-	-	-	-	-	-	-	724,894
Commercial residents in Türkiye	724,894	-	-	-	-	-	-	-	724,894
Commercial residents in Abroad	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	73,922	688,661	124,141	-	-	-	-	886,724
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	73,922	688,661	124,141	-	-	-	-	886,724
Other institutions	-	-	-	-	-	-	-	-	-
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	282,634	-	-	-	-	-	-	-	282,634
X. Profit sharing accounts special funds - TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total	1,731,273	1,078,872	4,608,104	1,589,023	118,600	980	356,118	-	9,482,970

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Information's on current and profit share accounts that are in the scope of Insurance

Current and participation accounts attributable to real and legal entities under the insurance exceeding the limit of the deposit insurance fund

	Under the guarantee of insurance		Exceeding the limit of insurance	
	Current period	Prior period	Current period	Prior period
Real persons/ entities current and profit-sharing accounts that are not subject to commercial activities				
TL accounts	1,944,424	1,581,582	10,404,013	4,722,161
FC accounts	176,527	64,226	2,510,682	785,812
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except for foreign branches) through current and profit share accounts which are opened by real and legal entities and denominated in Turkish Lira or foreign currency with a limit of maximum of TL 950 (including both capital and profit shares) for current period of each person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law No. 5411 which issued in official gazette no. 25893 on 1 November 2005.

If the headquarters of the Parent Bank is abroad and the deposit account in its Turkish branch is in the scope of the insurance policy in the country of the headquarter of the Bank is founded, it should be explained

The headquarters of the Parent Bank is in Türkiye.

Current and Profit Share Accounts of the real persons who are not in the scope of insurance

	Current period	Prior period
Foreign branches' profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit sharing accounts of their mother, father, spouse, children in care	3,782,818	2,319,371
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father, spouse and children in care	12,088	9,815
Profit sharing account and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26 September 2004	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in offshore banking activities solely	-	-

2.2 Information on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions ¹	6,062	-	6	-
Swap transactions	304	-	10,392	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	6,366	-	10,398	-

¹ Includes forward asset purchase and sales commitments.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

2.3 Information on funds borrowed

Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds borrowed from the Central Bank of Türkiye	-	-	-	-
Domestic banks and institutions	-	-	-	-
Foreign banks, institutions and funds	-	-	-	-
Total	-	-	-	-

Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	-	-	-	-
Medium and long-term	-	-	-	-
Total	-	-	-	-

Explanations related to the concentrations of the Group's major liabilities

The Group's funds borrowed consist of Turkish Lira and foreign currency loans. There is no risk concentration in the Group's current and participation accounts.

Explanations related to institutions with money markets transactions

As of 31 December 2025, there are funds amounting to TL 300,316 from repurchase agreements (31 December 2024 – None).

2.4. Information on issued securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk issued	1,587,762	-	-	-
Total	1,587,762	-	-	-

2.5 Information on other liabilities and miscellaneous payables

As of 31 December 2025, other liabilities include miscellaneous payables item amounting to TL 94,975 (31 December 2024 – TL 175,919) and other liabilities item amounting to TL 240,762 (31 December 2024 – TL 61,352), and these items do not exceed 10% of the balance sheet total.

2.6 Information on finance lease payables (Net)

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	14,669	4,049	11,347	3,475
1 to 4 years	34,547	20,826	28,990	14,087
More than 4 years	-	-	5,628	5,098
Total	49,216	24,875	45,965	22,660

Information on the changes in agreements and new obligations originating from these

None (31 December 2024 – None).

Information on Operational Leases

The leasing transactions, in which all risks and benefits of the leased asset are held by the lessor, are classified as operational leases. There are no significant commitments regarding the changes at the operational lease agreements. The payments related with operational leases are recognized as expense in the income statement during the period of the agreement in equal installments.

2.7. Information on hedging derivative financial liabilities

None (31 December 2024 – None).

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

2.8. Information on provisions

Information on provisions related with foreign currency difference of foreign indexed loans

None (31 December 2024 – None).

Information on other provisions

	Current Period	Prior Period
Expected Credit Loss for Non-Cash Loans	3,432	7,876
Provision for Profits will be Allocated to Participation Accounts	35,062	14,935
Total	1,208	-
	39,702	22,811

Information on provisions for employee benefits

The provision for employee benefits in the balance sheet includes severance pay obligations amounting to TL 5,229 (31 December 2024 – TL 5,907), leave pay provision amounting to TL 15,903 (31 December 2024 – TL 12,864) . (31 December 2024 – TL 7,500 bonus).

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires or earns the right to retire.

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

	Current Period	Prior Period
Discount rate (%)	4.50	4.50
Inflation rate (%)	23.75	23.75

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

	Current Period	Prior Period
Balance at the beginning of the period	5,907	2,488
Provisions recognized during the period	(678)	3,419
Balances at the end of the period	5,229	5,907

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

2.9. Explanations on tax liability

Information on current year tax liability

The group has a corporate tax liability of 7 TL as of the balance sheet date (31 December 2024 – None).

Information on taxes payable

	Current Period	Prior Period
Corporate tax payable	7	-
Taxation of marketable securities	33,187	20,557
Taxation of immovable property	192	134
Banking Insurance Transaction Tax (BITT)	27,582	15,041
Foreign Exchange Transaction Tax	198	108
Value Added Tax Payable	5,480	4,704
Other	22,728	17,411
Total¹	89,374	57,955

¹ Includes income tax deducted from salaries in the amount of TL 19,984 (31 December 2024- TL 16,657).

Information on premiums

	Current Period	Prior Period
Social Security Premiums – Employee	5,981	4,350
Social Security Premiums – Employer	8,419	5,898
Bank Social Aid Pension Fund Premium- Employee	-	-
Bank Social Aid Pension Fund Premium – Employer	-	-
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance – Employee	384	308
Unemployment Insurance – Employer	767	616
Other	-	-
Total	15,551	11,172

Information on deferred tax liability

The deferred tax liability is explained in the deferred tax asset section in the explanations and footnotes regarding the asset accounts of the balance sheet.

2.10. Information on payables related to assets held for sale

None (31 December 2024 – None).

2.11. Information on subordinated loans

None (31 December 2024 – None).

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

2.12. Information on shareholders' equity

Presentation of paid-in capital

	Current Period	Prior Period
Common Shares	4,500,000	3,000,000
Preference Shares	-	-
Total	4,500,000	3,000,000

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

Registered capital system is not applied in the Parent Bank.

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

Based on the permission of the BRSA, our Bank's paid-in capital has been increased by TL 1,500,000 in cash from TL 3,000,000 TL to TL 4,500,000.

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

None (31 December 2024 – None).

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

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

Summary of privileges given to shares representing the capital

None (31 December 2024 – None).

Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	36,863	18,069	1,378	162
Foreign Exchange Difference	-	-	-	-
Total	36,863	18,069	1,378	162

Information on minority shares

None (31 December 2024 – None).

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

3. Explanations and notes related to consolidated off-balance sheet contingencies and commitments

3.1 Explanations on off-balance sheet accounts

Types and amounts of irrevocable commitments

	Current Period	Prior Period
Forward Asset Purchase and Sales Commitments	2,695,391	704,386
Share Capital Commitment to Associates and Subsidiaries	-	62,500
Loan Granting Commitments	146,194	-
Commitments For Credit Cards and Banking Services Promotions and Limits	198,952	59
Other Irrevocable Commitments	24,578	1,930
Total	3,065,115	768,875

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

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

As of 31 December 2025, the Group has letter of guarantees amounting to TL 2,348,369 (31 December 2024 – TL 1,833,451).

Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Letters given against cash loans	1,187,089	1,234,797
Final letters of guarantee	662,679	406,508
Letters of Guarantee Given to Customs	481,495	149,038
Letters of guarantee for advances	17,106	43,108
Provisional letters of guarantee	-	-
Other letter of guarantees	-	-
Total	2,348,369	1,833,451

TL 3,432 (31 December 2024 – TL 7,876) has been set aside for the expected loss for non-cash loans.

Total amount of non-cash loans

	Current Period	Prior Period
Non-cash loans given against cash loans	1,187,089	1,234,797
With original maturity of 1 year or less	122,987	119,052
With original maturity of more than 1 year	1,064,102	1,115,745
Other non-cash loans	1,316,230	720,325
Total	2,503,319	1,955,122

Information on the non-cash loans classified in Group I and Group II

	Current Period				Prior Period			
	I. Group		II. Group		I. Group		II. Group	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-Cash Loans	395,188	2,108,131	-	-	465,156	1,489,966	-	-
Letters of Guarantee	390,550	1,957,819	-	-	465,156	1,368,295	-	-
Bills of Exchange and Bank Acceptances	-	-	-	-	-	-	-	-
Letters of Credit	-	150,312	-	-	-	121,671	-	-
Endorsements	-	-	-	-	-	-	-	-
Underwriting Commitments	-	-	-	-	-	-	-	-
Factoring Related Guarantees	-	-	-	-	-	-	-	-
Other Guarantees and Securities	4,638	-	-	-	-	-	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Information on sectoral risk concentrations of non-cash loans

	Current Period			
	TL	%	FC	%
Agriculture	-	-	-	-
Farming and stockbreeding	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	39,050	9.89	1,406,982	66.74
Mining and quarrying	-	-	47,825	2.27
Production	39,050	9.89	1,359,157	64.47
Electricity, Gas, Water	-	-	-	-
Construction	28,505	7.21	-	-
Services	327,633	82.90	701,149	33.26
Wholesale and Retail Trade	204,318	51.70	479,877	22.76
Hotel, Food and Beverage Services	12,490	3.16	-	-
Transportation and Telecom.	75,200	19.03	206,933	9.82
Financial Institutions	33,915	8.58	-	-
Real Estate and Renting Services	1,710	0.43	14,339	0.68
Self-Employment Type Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	-	-	-	-
Other	-	-	-	-
Total	395,188	100.00	2,108,131	100.00

	Prior Period			
	TL	%	FC	%
Agriculture	-	-	-	-
Farming and stockbreeding	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	226,972	48.79	1,330,121	89.28
Mining and quarrying	-	-	75,952	5.10
Production	226,972	48.79	1,254,169	84.18
Electricity, Gas, Water	-	-	-	-
Construction	61,614	13.25	-	-
Services	176,570	37.96	159,845	10.72
Wholesale and Retail Trade	176,570	37.96	90,649	6.08
Hotel, Food and Beverage Services	-	-	-	-
Transportation and Telecom.	-	-	69,196	4.64
Financial Institutions	-	-	-	-
Real Estate and Renting Services	-	-	-	-
Self-Employment Type Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	-	-	-	-
Other	-	-	-	-
Total	465,156	100.00	1,489,966	100.00

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

3.2. Financial derivative instruments

	Trading Derivatives	
	Current Period	Prior Period
Foreign currency related derivative		
Foreign Currency Related Derivative Transactions (I):	3,498,637	3,035,171
Currency Forwards-Purchases, sales ¹	2,695,391	704,386
Currency Swaps-Purchases, sales	803,246	2,330,785
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share related derivative transactions (II):	-	-
Profit share forwards-Purchase, sales	-	-
Profit share swaps-Purchases, sales	-	-
Profit share options-Purchases, sales	-	-
Profit share futures-Purchases, sales	-	-
Other trading derivatives (III)	-	-
A. Total trading derivatives (I+II+III)	3,498,637	3,035,171
Hedging Derivatives		
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	3,498,637	3,035,171

¹ TL 2,695,391 (31 December 2024- TL 704,386) of forward asset purchase and sales commitments included.

3.3. Credit derivatives and risk exposures on credit derivatives

None (31 December 2024 – None).

3.4. Contingent liabilities and assets

In accordance with the precautionary principle, the Group has booked a provision of TL 1,208 (December 31, 2024 – None) regarding litigations filed against it; these provisions are classified under the "Other provisions" item in the balance sheet. Excluding those provisions, the likelihood of an unfavorable outcome for other ongoing litigations does not appear high, and no cash outflow is anticipated in relation to these litigations.

3.5. Explanations on custodian and intermediary services

None (31 December 2024 – None).

3.6. Summary Information on the Group's Rating by the International Rating Institutions

JCR Eurasia Rating	April 2025
Long Term National Issuer Credit Rating	A- (tr)
Short Term National Issuer Credit Rating	J1 (tr)
Long Term International Foreign Currency Issuer Credit Rating	BB / Stable
Long Term International Local Currency Issuer Credit Rating	BB / Stable

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

4. Explanations and notes related to the consolidated statement of income

4.1 Information on profit share income

Information on profit share received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share on loans	3,043,275	201,313	1,319,286	75,490
Short term loans	1,203,166	144,793	582,288	48,912
Medium and long-term loans	1,839,869	56,520	736,995	26,578
Profit share on non-performing loans	240	-	3	-
Premiums received from resource utilization	-	-	-	-
Total	3,043,275	201,313	1,319,286	75,490

Information on profit share received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of the Republic of Türkiye	367,281	-	872	-
Domestic Banks	20,441	-	20,203	-
Foreign Banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Total	387,722	-	21,075	-

Information on profit share income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	7,097	-	-	843
Financial Assets at Fair Value Reflected in Other Comprehensive Income	644,226	19,444	178,897	115
Financial Assets Valued Over Amortized Cost	27,768	2,653	2,021	4,830
Total	679,091	22,097	180,918	5,788

Information on profit share income received from associates and subsidiaries

	Current Period	Prior Period
Profit share income received from associates and subsidiaries	-	-

4.2 Information on profit share expenses from funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1,185	355	492	31
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	1,185	11	492	31
Foreign banks	-	344	-	-
Branches and head office abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	1,185	355	492	31

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

Profit share expense given to associates and subsidiaries

	Current Period	Prior Period
Profit share expenses given to associates and subsidiaries	3,251	2,535

Profit share expense paid to securities issued

The profit share expense paid to securities issued are TL 191,228 (31 December 2024 – None).

4.3 Information on dividend income

None (31 December 2024 – None).

4.4 Distribution of profit share on funds based on maturity of funds

Current Period	Profit Sharing Accounts							Acc. profit-sharing accounts	Total
	Account Name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year		
Turkish Lira									
Collected funds from banks through current and profit share accounts	-	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing	430,204	1,460,793	45,330	2,654	327	802	-	1,940,110	
Public-sector profit-sharing account	-	-	-	-	-	-	-	-	
Commercial sector profit sharing account	284,593	1,071,798	103,925	-	-	655	-	1,460,971	
Other institutions profit sharing account	-	274,231	4,563	-	-	-	-	278,794	
Total	714,797	2,806,822	153,818	2,654	327	1,457	-	3,679,875	
Foreign currency									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing	44	7,175	2	1,830	2	10,043	-	19,096	
Public-sector profit-sharing account	-	-	-	-	-	-	-	-	
Commercial sector profit sharing account	1,544	57,931	6,664	-	-	-	-	66,139	
Other institutions profit sharing account	-	650	-	-	-	-	-	650	
Precious metal accounts	-	-	-	-	-	-	-	-	
Total	1,588	65,756	6,666	1,830	2	10,043	-	85,885	
Grand Total	716,385	2,872,578	160,484	4,484	329	11,500	-	3,765,760	

Prior Period	Profit Sharing Accounts							Acc. profit-sharing accounts	Total
	Account Name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year		
Turkish Lira									
Collected funds from banks through current and profit share accounts	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing	122,464	885,211	32,708	168	381	147	-	1,041,079	
Public-sector profit-sharing account	-	-	-	-	-	-	-	-	
Commercial sector profit sharing account	16,955	192,767	138,193	-	-	-	-	347,915	
Other institutions profit sharing account	-	45,538	1,944	-	-	-	-	47,482	
Total	139,419	1,123,516	172,845	168	381	147	-	1,436,476	
Foreign currency									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing	22	4,571	1,127	255	1,183	6,936	-	14,094	
Public-sector profit-sharing account	-	-	-	-	-	-	-	-	
Commercial sector profit sharing account	4,307	9,716	1,506	-	-	-	-	15,529	
Other institutions profit sharing account	-	-	-	-	-	-	-	-	
Precious metal accounts	-	-	-	-	-	-	-	-	
Total	4,329	14,287	2,633	255	1,183	6,936	-	29,623	
Grand Total	143,748	1,137,803	175,478	423	1,564	7,083	-	1,466,099	

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

4.5 Information on trading income/loss (Net)

	Current Period	Prior Period
Income	2,281,999	582,932
Gain on capital market transactions	410,553	442,650
Gain on derivative financial instruments	483,813	33,877
Foreign exchange profit	1,387,633	106,405
Losses (-)	(1,589,355)	(99,583)
Losses on capital market transactions	(7)	-
Losses on derivative financial instruments	(423,750)	(38,808)
Foreign exchange losses	(1,165,598)	(60,775)
Trading income/loss (Net)	692,644	483,349

4.6 Information on other operating income

The other operating income totals TL 71,125 (31 December 2024 - TL 1,454), of which TL 39,554 (31 December 2024 - TL 802) consists of expected credit loss provision reversals. There are no extraordinary items within other operating income that significantly affect the Group's revenues.

4.7 Provisions for loan losses and other receivables of the Bank¹

	Current Period	Prior Period
Expected Credit Loss	165,735	74,826
12 month expected credit loss (Stage 1)	20,581	38,808
Significant increase in credit risk (Stage 2)	2,856	1,740
Non-performing loans (Stage 3)	142,298	34,278
Marketable Securities Impairment Expense	-	254
Financial Assets at Fair Value through Profit or Loss	-	254
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment losses from Associates, Subsidiaries and Jointly Controlled Entities	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other²	26,489	13,747
Total	192,224	88,827

¹ Includes the provisions in the "Other Provision Expenses" line in the income statement.

² Includes free provisions that can be allocated from profit to be distributed to participation accounts according to provisions regulation.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

4.8 Information on other operating expenses

	Current Period	Prior Period
Reserve for employee termination benefits	-	3,419
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	52,215	24,964
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	41,397	21,746
Shares (capital method applied) impairment expense	-	-
Impairment expense for investment securities that will be disposed	-	-
Amortization expenses of investment securities that will be disposed	-	-
Impairment expenses for property and equipment held for sale purpose and terminated operations	-	-
Other operating expenses	526,332	472,559
Leasing expenses related to TFRS 16 exemptions	9,995	9,589
Maintenance expenses	8,857	5,384
Advertisement expenses	136,014	247,794
Other expenses ¹	371,466	209,792
Loss on sales of assets	-	-
Other ²	219,397	213,642
Total	839,341	736,330

¹ Includes computer usage expenses of TL 142,317 (31 December 2024 – TL 63,447) and communication expenses of TL 81,753 (31 December 2024 – TL 60,738).

² Includes audit and consultancy fee expenses of TL 127,336 (31 December 2024 – TL 147,023) and taxes, duties and fees expenses of TL 51,948 (31 December 2024 – 37,494 TL).

According to the decision of POA dated March 26, 2021, the fee information for the reporting period for services received from the independent auditor or audit organization is given in the following table. These fees also include the audit fees of the Bank's subsidiaries. The fee information given in the table is excluding VAT.

	Current Period	Prior Period
Independent audit fee for the reporting period	12,500	7,900
Fees for tax consulting services	310	-
The cost of other services outside the independent audit	250	-
Total	13,060	7,900

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

The Group's loss before tax was TL 658,840 (31 December 2024 – TL 797,432 loss)

TL 604,164 (31 December 2024 – TL 238,607) of the loss before tax comes from net profit share income, TL 23,263 (31 December 2024 – TL 12,877 expense) from net fees and commission income, TL 692,644 (31 December 2024 - TL 483,349) from net commercial profit and loss, TL 71,125 (31 December 2024 – TL 1,454) from other operating income, TL 192,224 (31 December 2024 – TL 88,827) from provision expenses, TL 1,857,812 (31 December 2024 – TL 1,419,138) consists of other operating expenses, including personnel expenses.

4.10 Information on tax provision for continued and discontinued operations

The Group's current tax provision expense is TL 7 (31 December 2024 – None). The Group has deferred tax expense of TL 26,601 (31 December 2024 – TL 37,924) and deferred tax income of TL 407,371 (31 December 2024 – TL 395,332) in the current period.

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

There is no profit/loss arising from discontinued operations in after-tax operating profit/loss.

4.12 Information on net income/loss

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

Net profit share income among income items in the accounting period ending as of 31 December 2025 is TL 604,164 (31 December 2024 – TL 238,607).

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

None (31 December 2024 – None).

Profit/Loss attributable to minority share

None (31 December 2024 – None).

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

As of 31 December 2025, other items in the income statement do not exceed 10% of the total income statement.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

Explanations on profit distribution

None

Information on financial assets at fair value through other comprehensive income

“Unrealized gains and losses” arising from changes in the fair value of securities classified as financial assets at fair value through other comprehensive income are not recognized in current year income statements; they are recognized in the “Marketable securities value increase fund” account under equity, until the financial assets are sold, disposed or impaired.

As of 31 December 2025, the Group has booked TL 54,932 increase (31 December 2024 – TL 1,540 increase) for marketable securities valuation difference related to financial assets at fair value through other comprehensive income

Explanations on profit reserves and previous years' profit/loss

None

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

Based on the permission of the BRSA, our Bank's paid-in capital has been increased by TL 1,500,000 in cash from TL 3,000,000 TL to TL 4,500,000.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

6. Explanations and Disclosures Related to Statement of Cash Flows

6.1. Information on cash and cash equivalents

Components of cash and cash equivalents and accounting policy applied in their determination

The amounts recorded in the balance sheet as cash and cash equivalent assets (excluding rediscount balances, required reserve balances, placements with maturities longer than 3 months and blocked accounts) are considered as cash and cash equivalent assets

Cash and cash equivalents for the periods

	Current Period	Prior Period
Cash	3,898,402	1,424,095
Cash and Foreign Currency Cash	-	-
Turkish Central Bank	3,591,535	734,798
Other	306,867	689,297
Cash Equivalents	397,908	705,641
Banks	397,908	302,064
Interbank Money Market Placements	-	403,577
Total Cash and Cash Equivalents	4,296,310	2,129,736
Total Cash and Cash Equivalents	(1,643,167)	(594,613)
Rediscounts on Cash and Cash Equivalents	(130,402)	(3,577)
Cash Flow Statements Cash and Cash Equivalents	2,522,741	1,531,546

6.2. Cash and cash equivalent items which are restricted for the usage of the Group by legal or other limitations

The Group has cash and equivalent assets that are not in free use in the amount of TL 1,643,167 as a required reserve balance at central bank (31 December 2024 – TL 594,613).

6.3. Explanations on other items in the cash flow statement

The "Other" amounting to TL 89,131 (31 December 2024 – TL 58,899) of included in "Operating profit before changes in banking activity assets and liabilities" consists mainly of items such as paid fees and commissions, taxes, duties and fees.

The "Net increase/decrease in other assets" item amounting to TL 115,448 (31 December 2024 – TL 88,550) included in the "Change in assets and liabilities subject to banking activities" consists mainly of changes in other assets.

The "Net increase/decrease in other debts" item amounting to TL 390,551 (31 December 2024 – TL 168,095) included in the "Change in assets and liabilities subject to banking activities" consists of changes in various debts, other liabilities and taxes, duties, fees and premiums to be paid.

The effect of the change in foreign exchange rate on cash and cash equivalent assets is calculated as approximately TL 115,554 (31 December 2024 – TL 17,645) as of 31 December 2025.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

7. Explanations and Notes Related to Risk Group of The Group

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

Current Period Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	-	-	137,645	195,190	15,753	1,002
Balance at end of period	-	1,710	-	433,988	420	1,002
Profit share and commission income	-	-	1,634	1,106	85,178	5

Prior Period Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Cash	Non-Cash	Cash
Loans and other receivables						
Balance at beginning of period	-	-	296,793	-	198,634	-
Balance at end of period	-	-	137,645	195,190	15,753	1,002
Profit share and commission income	-	-	36,603	15	97,632	-

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

Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current period	Prior Period	Current period	Prior Period	Current period	Prior Period
Current and profit-sharing accounts						
Balance at beginning of period	16,010	-	1,431,764	418,150	1,292,699	18,797
Balance at end of period	12	16,010	2,556,245	1,431,764	1,468,423	1,292,699
Profit share expense	3,251	2,535	29,667	13,401	165,389	41,424

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

Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current period	Prior Period	Current period	Current period	Prior Period	Current period
Transactions at Fair Value Through Profit or Loss						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-
Hedging Transactions						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

Risk group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current period	Prior Period	Current period	Current period	Prior Period	Current period
Funds Borrowed						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Profit share and commission expense	-	-	-	-	-	-

7.5 Information on the subordinated loans used by the Group's risk group

None (31 December 2024 – None).

7.6 Information on remunerations provided to top management

As of 31 December 2025, a benefit of TL 109,930(31 December 2024 - TL 92,462) was provided to the Group's senior management, including employer costs.

8. Group's domestic, foreign and off-shore branches or equity investments and foreign representative offices

8.1. Group's domestic and foreign branches and representative offices

	Number of Branches	Number of Employees		
Domestic branches ¹	1	306		
			Country	
Foreign representative offices	-	-	-	Legal Capacity
Foreign bank	-	-	-	-
Foreign branches	-	-	-	-

¹ It represents the Head Office.

8.2. Opening or closing of domestic and foreign branches and representative offices and significant changes in organizational structure

None.

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

The Parent Bank's paid-up capital was increased by TL 2,000,000 in cash, from TL 4,500,000 to TL 6,500,000 after approval from the Banking Regulation and Supervision Agency (BDDK) on 12 February 2026.

The Group completed the sale of 99 day maturity sukuk certificates amounting TL 750,000 to qualified investors domestically on 11 February 2026.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

SECTION SIX

OTHER EXPLANATIONS

1. **Other explanations regarding the Parent Bank's operations**

Summary Information on the Parent Bank's Rating by the International Rating Institutions

JCR Eurasia Rating	April 2025
Long Term National Issuer Credit Rating	A- (tr)
Short Term National Issuer Credit Rating	J1 (tr)
Long Term International Foreign Currency Issuer Credit Rating	BB / Stable
Long Term International Local Currency Issuer Credit Rating	BB / Stable

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

1. **Explanations on independent auditors' report**

The Group's consolidated financial statements and footnotes disclosed to the public have been subjected to independent audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent audit report dated 23 February 2026 has been submitted before the consolidated financial statements.

2. **Notes and disclosures prepared by the independent auditor**

None.