

# MESSAGE FROM THE CHAIRPERSON



**Through our strong and long-standing collaborations with international development institutions, we secured USD 1.8 billion in funding for our country.**

**HAKAN ARAN**

*Chairperson of the Board of Directors, TSKB*

Esteemed Stakeholders,

In a period marked by geopolitical uncertainties and economic volatility, we continued to contribute to the Turkish economy with our strong financial structure, while resolutely maintaining our leading role in sustainable development through projects implemented with a keen responsiveness to the needs of the Turkish economy.

In 2025, global economic activity showed moderate growth, supported by a favorable policy framework and supportive financial conditions, while the impact of ongoing uncertainties remained more limited than expected. Although risks related to trade policies have partially eased, recent geopolitical developments continue to pose vulnerabilities in global financial markets and supply chains. Meanwhile, the global disinflation process continues, albeit at varying paces across different countries.

According to the IMF, global growth stood at 3.3% in 2025. Although this level remains below historical averages, it points to a relatively resilient outlook. Growth is expected to remain stable at 3.3% in 2026 and ease slightly to 3.2% in 2027. In the second half of 2025, the easing

of trade tensions and supportive financial conditions contributed to the resilience of economic activity. While regional divergences became more pronounced, the US economy exhibited a strong performance, supported in part by investments in artificial intelligence, whereas growth in the Euro Area remained more moderate.

Global inflation, meanwhile, has continued its downward trend, with the moderate outlook for demand contributing to the gradual easing of price pressures. In this context, it is expected that policy rate cuts will continue at a measured pace in some advanced economies, particularly in the US and the UK, during 2026. IMF projections indicate that global inflation stood at 4.1% in 2025 and is expected to decline to 3.8% in 2026 and 3.4% in 2027, maintaining its downward trajectory.

In Türkiye, the tight monetary policy and macroprudential measures implemented by the Central Bank of the Republic of Türkiye continued throughout 2025, with their effects on economic activity and inflation becoming clearly visible. Gross Domestic Product (GDP) grew by 3.6% year-on-year, although some deterioration was observed in the composition of growth. During this period, final domestic demand supported growth, while the contribution of

net exports to growth was negative. Looking at indicators for the first quarter of 2026, it can be said that the moderate trend in domestic demand has been maintained, while production indices have continued to move sideways.

While combating inflation continues to be the primary focus of monetary policy, the share of Turkish lira deposits within total deposits has stabilized at around 60%, supported by macroprudential measures. We observed that the policy rate cuts of 150 basis points in December 2025 and 100 basis points in January 2026 were gradually reflected in deposit and lending rates, albeit with some delay. Gross international reserves showed a notable strengthening and increase, supported in part by rising gold prices. Although Türkiye's CDS premium declined toward the end of 2025, approaching its lowest levels in recent years, it has started to rise again in the new year due to global developments and geopolitical uncertainties.

According to the latest Inflation Report published by the CBRT, inflation is projected to be within the range of 15%–21% by the end of 2026 and 6%–12% by the end of 2027, before declining to single-digit levels by the end of 2028 and stabilizing around the medium-term target of 5%. However, current developments and inflation expectations suggest that inflation at the end of 2026 may exceed the CBRT's forecast range.

Strengthening financial stability, ensuring the permanent establishment of price stability, supporting the green and digital transformations, and reinforcing a growth composition focused on production, investment, employment, and exports remain among the key policy priorities. Within this framework, maintaining the tight stance of monetary policy, supported by macroprudential measures, is expected to continue contributing to the disinflation process through demand conditions and expectations. Accordingly, we anticipate

that the economy will follow a moderate, more balanced growth path in 2026. We will continue to create value for the multidimensional development of our country.

In line with the responsibility conferred by our deep-rooted, 76-year history and mission in development banking, we resolutely continued to provide long-term loan support to projects contributing to Türkiye's sustainable development in 2025. As the bank with the highest loan-to-assets ratio in our sector, we secured USD 1.8 billion in funding for our country through the strong and long-standing collaborations we maintain with international development institutions. By strengthening the impact we create through our advisory activities, conducted in alignment with the principles of development and investment banking, we announced financial results exceeding expectations.

As Türkiye's first privately owned development and investment bank, we will continue in the coming period to expand our support in reinforcing the competitive capabilities of the production and service sectors, in line with the key drivers of our country's economic development, with a focus on environmental, social, and governance dimensions.

On behalf of myself and the TSKB Board of Directors, I would like to thank our shareholders, employees, retirees, business partners, and customers for their contributions and support.

Yours sincerely,

**HAKAN ARAN**

*Chairperson of the Board of Directors, TSKB*



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