

Türkiye Sınai Kalkınma Bankası Anonim Şirketi

Independent Auditor's Audit Report,
Unconsolidated Financial Statements and Notes
For The Year Ended December 31, 2025



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 Türkiye Sınai Kalkınma Bankası Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye Sınai Kalkınma Bankası Anonim Şirketi (“the Bank”), which comprise the statement of unconsolidated balance sheet as at 31 December 2025, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

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

2. Basis for Qualified Opinion

As explained in Section Five Part II 7.c.1 a of Explanations and Notes to the Unconsolidated Financial Statements as at 31 December 2025 include a free provision amounting to TL 1.100.000 thousand, which consists of TL 2.050.000 thousand provided in prior years and TL 950.000 thousand reversed in the current year by the Bank management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 1.100.000 thousand, net profit and equity would have decreased by TL 950.000 thousand and increased by TL 1.100.000 thousand, respectively as at 31 December 2025.

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements” section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) issued by the POA and applicable to audits of Unconsolidated 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 unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.



Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans and receivables The Bank has total provision for expected credit losses amounting to TL 10.613.715 thousand in respect to total loans amounting to TL 234.731.008 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as of 31 December 2025. Explanations and notes regarding expected credit losses on loans are represented in Notes VII of Section Three, VIII of Section Three, II of Section Four, I.5 of Section Five of the accompanying unconsolidated financial statements as at 31 December 2025. The Bank recognizes provision for expected credit losses in accordance with “TFRS 9 Financial Instruments” requirements in line with the “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided” as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans as in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and the other 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.	Within our audit procedures, we have assessed policies, procedures and principles established by the Bank management with respect to classifications of loans as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles. Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations. To assess whether the Bank's classification of loans, impairment identification, and the timely and adequate recognition of impairment allowances are in full compliance with applicable regulatory requirements, we have performed loan review procedures based on a selected sample. For a selected sample, we have evaluated the appropriateness expected credit losses provided for loans based on individual assessment as per the Bank's policies by using supportable data and through discussions with the Bank's management. We reviewed the consistency and adequacy of disclosures related to loan impairment in the Bank's financial statements.

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations Explanations regarding the TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı (“Fund”) and the recognised provision are disclosed in Note II.7.c.2 of Section Five the accompanying unconsolidated financial statements prepared as of 31 December 2025. TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı (“Fund”) is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Bank's management uses external actuaries for the purpose of valuations of Pension Fund obligations. During our audit, above mentioned significant judgement, assumption and estimates used in the calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact of any differentiation in these assumptions taken into consideration, and this area is considered as key audit matter.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Bank's management to the external actuarial firm for the calculation of the Fund's obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Bank's unconsolidated financial statements.



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

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

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

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

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

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

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

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

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

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

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

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

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



B. Other Responsibilities Arising From Regulatory Requirements

- 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.
- 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 unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 3 February 2026

THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
FOR THE YEAR ENDED 31/12/2025

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The unconsolidated financial report for the year ended includes the following sections in accordance with "Communiqué on the Financial Statements and Related Explanations and Notes that will be made Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The accompanying unconsolidated financial statements and the explanatory footnotes and disclosures for the year end, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL"), in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, and have been independently audited and presented as attached.

February 3, 2026

Hakan ARAN Chairman of Board Members	Ozan UYAR Member of Board of Directors and General Manager	Tolga SERT Executive Vice President in Charge of Financial Reporting	Dilek PEKCAN MİŞE Head of Financial Control
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Ece BÖRÜ
Chairman of Audit Committee

Banu ALTUN
Member of Audit Committee

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

Name-Surname / Title	: Can Ülkü / Head of Financial Institutions and Investor Relations Department
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TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION ONE GENERAL INFORMATION

I. The Bank's incorporation date, beginning status, changes in the existing status

Türkiye Sınai Kalkınma Bankası A.Ş. ("The Bank") was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on May 12, 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on May 12, 1950.

According to the classification set out in the Banking Law No: 5411, the status of the Bank is "Development and Investment Bank". The Bank does not have the license of "Accepting Deposit". Since the establishment date of the Bank, there is no change in its "Development and Investment Bank" status.

II. Explanations regarding the Bank's shareholding structure, shareholders holding directly or indirectly, collectively or individually, the managing and controlling power and changes in current year, if any and explanations on the controlling group of the Bank

Türkiye İş Bankası A.Ş. has the authority of managing and controlling power of the Bank directly or indirectly, alone or together with other shareholders. Shareholders of the Bank are as follows:

Current Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Grubu (*)	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	2.800.000	100,00	2.800.000	-

Prior Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Grubu (*)	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	2.800.000	100,00	2.800.000	-

(*) İş Bankası Group, which is the capital of the Bank, includes Türkiye İş Bankası A.Ş. (with a 47,68% share), Milli Reasürans Türk A.Ş. (with a 1,90% share), Anadolu Anonim Türk Sigorta Şirketi (with a 0,89% share) and Anadolu Hayat Emeklilik A.Ş. (with a 0,89% share).

The Bank shares are traded in Istanbul Stock Exchange ("BIST") since December 26, 1986. The Bank's 51,37 % of the shares belongs to İş Bank Group and 41,10 % of these shares are in free floating and traded in BIST Star Market with "TSKB" ticker.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION ONE (Continued) GENERAL INFORMATION (Continued)

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

The Chairman and The Members of Board of Directors:

Name Surname	Title (1)
Hakan Aran	Chairman of the Board of Directors
Ece Börü (4)	Vice Chairman of the Board of Directors and Independent Member of the Board of Directors and Chairman of Audit Committee
Ozan Uyar	Member of the Board of Directors and General Manager
Murat Bilgiç (2) (3)	Member of the Board of Directors
Banu Altun	Independent Member of the Board of Directors and Member of Audit Committee
Murat Doğan	Member of the Board of Directors
Ş. Nuray Duran	Member of the Board of Directors
M. Sefa Pamuksuz	Independent Member of the Board of Directors
Mithat Rende	Member of the Board of Directors
Abdi Serdar Üstünsalih	Member of the Board of Directors
Cengiz Yavilioğlu	Member of the Board of Directors

General Manager and Vice Presidents

Name Surname	Title/Area of Responsibility
Ozan Uyar (2)	General Manager
	Executive Vice President – Treasury, Financial Institutions and Investor Relations, Development Finance Institutions Relations, Development Finance Institutions, Climate Change and Sustainability Management
Meral Murathan	Executive Vice President – Corporate Banking Sales, Project Finance, Corporate Banking Marketing, Credit Operations
Hasan Hepkaya	Executive Vice President – Human Resources, Retirement and Supplementary Foundations, Corporate communication
Özlem Bağdatlı	Executive Vice President – Application Development, System Support and Operation, Enterprise Architecture and Process Management and Financial Affairs Management
Bilgin Tanazardı	Executive Vice President – Capital Markets, Mergers and Acquisitions, Corporate Finance
Poyraz Koğacıoğlu	Executive Vice President – Consulting Services Sales, Financial and Technical Consulting, Loan Allocation, Loan Structuring and Analysis, Engineering
S. Hüseyin Gürel	Executive Vice President – Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control
Tolga Sert	

- (1) The shares held by the above-mentioned persons in the Bank are symbolic.
- (2) Mr. Murat Bilgiç retired from his position as of July 31, 2025, and following the necessary legal applications and permits, Mr. Ozan Uyar assumed the position of General Manager.
- (3) Our Bank's Board Member Mrs. Izlem Erdem, resigned from his position on August 29, 2025. Mr. Murat Bilgiç has been elected to the vacant Board of Directors position in accordance with Article 363 of the Turkish Commercial Code.
- (4) At the meeting of our Bank's Board of Directors on August 29, 2025, Ms. Ece Börü was elected to the Audit Committee.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

IV. Information about the people and institutions that have qualified shares in the Bank

Explanations about the people and institutions that have qualified shares control the Bank's capital directly or indirectly are described in General Information Section II.

V. Summary of the Bank's functions and areas of activity

Türkiye Sınai Kalkınma Bankası A.Ş. is the first private development and investment bank which was established by the Council of Ministers resolution number of 3/11203 established in 1950 with the support of World Bank, Government of Republic of Turkey, Central Bank of Republic of Turkey and commercial banks. As per the articles of association published in the Official Gazette on June 2, 1950, the aim of the Bank is to support all private sector investments but mostly industrial sectors, to help domestic and foreign capital owners to finance the new firms and to help the improvement of Turkish capital markets. The Bank is succeeding its aims by financing, consulting, giving technical support and financial intermediary services. The Bank, which operates as a non-deposit accepting bank, played a major role on manufacturing and finance sectors in every phase of the economic development of Turkey. The Bank started its journey in 1950 financing the private sector investments in Turkey and today it provides loans and project finance with the goal of sustainable development to corporations in different fields. As a leader in meeting the long-term financing needs of the private sector, the Bank also continues to offer solutions with respect to the newest needs and client demands.

VI. The existing or potential, actual or legal obstacle on the transfer of shareholder's equity between the Bank and its subsidiaries or the reimbursement of liabilities

There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Bank and its subsidiaries. The Bank charges or pays cost of the services according to the service agreements made between the Bank and its subsidiaries. Dividend distribution from shareholders' equity is made according to related legal regulations.

VII. Written policies of the Bank related to compliance with publicly disclosed obligations of the Bank and assessment of accuracy, frequency and compliance of mentioned disclosures

Approved by the Board of Directors and compliance with public disclosure obligations, frequency of public disclosures and tools and methods used for public disclosures are explained in the disclosure policy of the Bank accessible from the Bank's corporate website.



TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Balance Sheet (Statement of Financial Position)
As of 31 December 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

	Section 5 Note 1	Current Period 31 December 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (NET)		32.690.850	22.750.872	55.441.722	16.462.594	18.808.018	35.270.612
1.1 Cash and Cash Equivalents		9.817.522	14.135.760	23.953.282	1.927.260	10.549.148	12.476.408
1.1.1 Cash and Balances with Central Bank	(1)	474	5.702.663	5.703.137	772	2.879.653	2.880.425
1.1.2 Banks	(3)	2.530	8.439.386	8.441.916	3.006	7.672.856	7.675.862
1.1.3 Money Market Placements		9.815.458	-	9.815.458	1.923.891	-	1.923.891
1.1.4 Expected Credit Losses (-)		940	6.289	-	409	3.361	3.770
1.2 Financial Assets at Fair Value Through Profit or Loss	(2)	2.889.495	-	2.889.495	1.383.876	-	1.383.876
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		2.889.495	-	2.889.495	1.383.876	-	1.383.876
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(4)	19.003.698	7.707.771	26.711.469	12.455.502	5.897.287	18.352.889
1.3.1 Government Debt Securities		18.295.242	6.495.688	24.790.930	11.611.019	5.005.611	16.616.630
1.3.2 Equity Instruments		300.921	1.212.083	1.513.004	198.090	891.776	1.089.866
1.3.3 Other Financial Assets		407.535	-	407.535	646.393	-	646.393
1.4 Derivative Financial Assets	(2)	980.135	907.341	1.887.476	695.956	2.361.483	3.057.439
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		980.135	907.341	1.887.476	695.956	2.361.483	3.057.439
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		21.110.416	231.536.063	252.646.479	20.799.277	161.790.627	182.589.904
2.1 Loans	(5)	15.564.726	219.166.282	234.731.008	14.383.721	151.616.350	166.000.071
2.2 Lease Receivables	(10)	-	1.148.738	1.148.738	-	417.553	417.553
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(6)	9.864.686	17.515.762	27.380.448	9.949.963	14.269.752	24.219.715
2.4.1 Government Debt Securities		9.864.686	17.515.762	27.380.448	9.949.963	14.269.752	24.219.715
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)		4.318.996	6.294.719	10.613.715	3.534.407	4.513.028	8.047.435
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	(16)	-	-	-	-	-	-
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		12.793.203	-	12.793.203	9.420.766	-	9.420.766
4.1 Investments in Associates (Net)	(7)	5.508.367	-	5.508.367	4.201.492	-	4.201.492
4.1.1 Accounted Under Equity Method		5.508.367	-	5.508.367	4.201.492	-	4.201.492
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(8)	7.284.836	-	7.284.836	5.219.274	-	5.219.274
4.2.1 Unconsolidated Financial Subsidiaries		7.112.628	-	7.112.628	5.085.830	-	5.085.830
4.2.2 Unconsolidated Non-Financial Subsidiaries		172.208	-	172.208	133.444	-	133.444
4.3 Entities under Common Control (Joint Venture) (Net)	(9)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(12)	697.226	-	697.226	572.644	-	572.644
VI. INTANGIBLE ASSETS (Net)	(13)	21.008	-	21.008	5.985	-	5.985
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		21.008	-	21.008	5.985	-	5.985
VII. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET	(15)	597.415	-	597.415	265.107	-	265.107
IX. DEFERRED TAX ASSET	(16)	-	-	-	-	-	-
X. OTHER ASSETS (Net)	(17)	4.172.250	287.546	4.459.796	3.009.859	125.480	3.135.339
TOTAL ASSETS		72.082.368	254.574.481	326.656.849	50.536.232	180.724.125	231.260.357

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Balance Sheet (Statement Of Financial Position)
As of 31 December 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

	Section 5 Note 2	Current Period 31 December 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
LIABILITIES AND EQUITY							
I. DEPOSITS	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(3)	2.726.682	190.891.683	193.618.365	19.000	123.981.589	124.000.589
III. MONEY MARKET BALANCES		990.467	5.042.268	6.032.735	1.961.247	1.319.277	3.280.524
IV. MARKETABLE SECURITIES ISSUED (Net)	(3)	-	60.593.749	60.593.749	-	51.561.328	51.561.328
4.1 Bills		-	-	-	-	-	-
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	60.593.749	60.593.749	-	51.561.328	51.561.328
V. BORROWER FUNDS		32.001	978.219	1.010.220	30.945	652.954	683.899
5.1 Borrower Funds		32.001	978.219	1.010.220	30.945	652.954	683.899
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	344.913	1.317.006	1.661.919	160.787	1.137.479	1.298.266
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		344.913	1.317.006	1.661.919	160.787	1.137.479	1.298.266
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(5)	193.676	-	193.676	247.755	-	247.755
X. PROVISIONS	(7)	1.470.948	140.896	1.611.844	2.285.225	84.762	2.369.987
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reverse for Employee Benefits		168.800	-	168.800	102.417	-	102.417
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.302.148	140.896	1.443.044	2.182.808	84.762	2.267.570
XI. CURRENT TAX LIABILITY	(8)	344.529	-	344.529	368.765	-	368.765
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(9)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(10)	-	13.142.591	13.142.591	-	10.800.864	10.800.864
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	13.142.591	13.142.591	-	10.800.864	10.800.864
XV. OTHER LIABILITIES	(4)	900.674	1.895.604	2.796.278	573.985	3.595.006	4.168.991
XVI. SHAREHOLDERS' EQUITY	(11)	45.151.632	499.311	45.650.943	32.281.656	197.133	32.478.789
16.1 Paid-in capital		2.800.000	-	2.800.000	-	2.800.000	-
16.2 Capital Reserves		24.573	-	24.573	14.658	-	14.658
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		24.573	-	24.573	14.658	-	14.658
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	(11)	4.860.676	336.295	5.196.971	3.896.451	220.008	4.126.459
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		929.851	163.016	1.092.867	381.972	(32.875)	349.097
16.5 Profit Reserves		25.153.739	-	25.153.739	15.053.976	-	15.053.976
16.5.1 Legal Reserves	(11)	645.497	-	645.497	645.497	-	645.497
16.5.2 Status Reserves		75.641	-	75.641	75.641	-	75.641
16.5.3 Extraordinary Reserves	(11)	24.429.681	-	24.429.681	14.329.918	-	14.329.918
16.5.4 Other Profit Reserves		2.920	-	2.920	-	-	2.920
16.6 Profit Or Loss		11.382.793	-	11.382.793	10.134.599	-	10.134.599
16.6.1 Prior Years' Profit/Loss		-	-	-	-	-	-
16.6.2 Current Year Profit/Loss		11.382.793	-	11.382.793	10.134.599	-	10.134.599
TOTAL LIABILITIES AND EQUITY		52.155.522	274.501.327	326.656.849	37.929.365	193.530.992	231.260.357

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Off-Balance Sheet
As of 31 December 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

	Section 5 Note III	Current Period 31 December 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
OFF BALANCE SHEET							
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES							
I. GUARANTEES AND COLLATERALS	(1)	32.973.905	287.817.181	320.791.086	23.449.505	195.816.999	219.266.504
1.1 Letters of Guarantee		1.407.661	23.635.256	24.042.917	3.358.432	18.244.917	21.603.349
1.1.1 Guarantees Subject to State Tender Law		-	13.519.330	14.986.991	2.818.172	5.808.110	8.626.090
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		1.407.661	13.519.330	14.986.991	2.818.172	5.808.110	8.626.090
1.2 Bank Acceptances		-	546.172	546.172	-	546.172	546.172
1.2.1 Import Letter of Acceptance		-	546.172	546.172	-	546.172	546.172
1.2.2 Other Bank Acceptance		-	-	-	-	-	-
1.3 Letters of Credit		-	18.569.754	18.569.754	522.051	12.305.660	12.827.711
1.3.1 Documentary Letters of Credit		-	18.569.754	18.569.754	522.051	12.305.660	12.827.711
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	-	-	-	-	-
II. COMMITMENTS	(1)	4.924.453	22.213.729	28.138.182	2.806.890	8.648.292	11.454.382
2.1 Irrevocable Commitments		2.443.458	3.180.878	5.624.336	1.218.654	640.755	1.859.409
2.1.1 Forward Asset Purchase and Sale Commitments		1.889.591	2.939.927	4.829.518	399.727	458.574	848.301
2.1.2 Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	152.834	152.834	-	142.284	142.284
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Payment Commitments for Checks		-	-	-	-	-	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

		Current Period 1 January 2025 – 31 December 2025	Prior Period 1 January 2024 – 31 December 2024
	PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I.	CURRENT PERIOD INCOME / LOSS	11,382,793	10,134,599
II.	OTHER COMPREHENSIVE INCOME	1,814,282	932,520
2.1	Not Reclassified Through Profit or Loss	1,070,512	840,964
2.1.1	Property and Equipment Revaluation Increase / Decrease	75,970	84,279
2.1.2	Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain / Loss	955	(48,113)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	1,005,006	803,179
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(11,419)	1,619
2.2	Reclassified Through Profit or Loss	743,770	91,556
2.2.1	Foreign Currency Translation Differences	262,098	72,673
2.2.2	Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	687,869	29,563
2.2.3	Cash Flow Hedge Income / Loss	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(206,197)	(10,680)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	13,197,075	11,067,119

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Changes in Shareholders' Equity
For the Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

		Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss					Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss										
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
Prior Period – 31 December 2024																	
I.	Prior Period End Balance	2,800.000	-	-	14.658	250.566	3.720	3,031.209	385.534	(127.993)	-	8,012.499	7,041.477	-	21,411.670	-	21,411.670
	Corrections and Accounting Policy Changes																
II.	Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	2,800.000	-	-	14.658	250.566	3.720	3,031.209	385.534	(127.993)	-	8,012.499	7,041.477	-	21,411.670	-	21,411.670
IV.	Total Comprehensive Income	-	-	-	-	71.464	(33.679)	803.179	72.673	18.883	-	-	-	10,134.599	11,067.119	-	11,067.119
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1	Dividends Distributed	-	-	-	-	-	-	-	-	-	-	7,041.477	(7,041.477)	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	6,044.477	(6,044.477)	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
	Period-End Balance (III+IV+.....+X+XI)	2,800.000	-	-	14.658	322.030	(29.959)	3,834.388	458.207	(109.110)	-	15,053.976	-	10,134.599	32,478.789	-	32,478.789

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 unconsolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Changes in Shareholders' Equity For the Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

										Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss																
																Current Period Profit or (Loss)		Total Equity Except from Minority Interest		Minority Interest		Total Shareholders' Equity							
CHANGES IN SHAREHOLDERS' EQUITY										Note	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)							
I. Current Period – 31 December 2025																													
Prior Period End Balance											2.800.000	-	-	14.658	322.030	(29.959)	3.834.388	458.207	(109.110)	-	15.053.976	10.134.599	-	32.478.789	-	32.478.789			
Corrections and Accounting Policy Changes Made According to TAS 8											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
2.1 Effects of Errors											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
2.2 Effects of the Changes in Accounting Policies											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
III. Adjusted Beginning Balance (I+II)											2.800.000	-	-	14.658	322.030	(29.959)	3.834.388	458.207	(109.110)	-	15.053.976	10.134.599	-	32.478.789	-	32.478.789			
IV. Total Comprehensive Income											-	-	-	-	64.837	669	1.005.006	262.098	481.672	-	-	-	11.382.793	13.197.075	-	13.197.075			
V. Capital Increase by Cash											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
VI. Capital Increase by Internal Sources											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII. Effect of Inflation on Paid-in Capital											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII. Convertible Bonds to Share											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX. Subordinated Debt Instruments											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Increase/Decrease by Other Changes											-	-	-	-	-	-	-	-	-	-	(24.921)	-	(24.921)	-	(24.921)				
XI. Profit Distribution											-	-	-	9.915	-	-	-	-	-	-	10.124.684	(10.134.599)	-	-	-	-	-		
11.1 Dividends Distributed											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Transfers to Reserves											-	-	-	-	-	-	-	-	-	-	-	8.824.684	(8.824.684)	-	-	-	-	-	-
11.3 Other											-	-	-	9.915	-	-	-	-	-	-	-	1.300.000	(1.309.915)	-	-	-	-	-	-
Period-End Balance (III+IV+.....+X+XI)											2.800.000	-	-	24.573	386.867	(29.290)	4.839.394	720.305	372.562	-	25.153.739	-	11.382.793	45.650.943	-	45.650.943			

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)

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Cash Flows For the Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

		Note	Current Period 31 December 2025	Prior Period 31 December 2024
A. CASH FLOWS FROM BANKING OPERATIONS				
Operating Profit Before Changes in Operating Assets and Liabilities			4.052.267	11.667.916
1.1.1	Interest Received		28.101.985	28.111.707
1.1.2	Interest Paid		(15.071.855)	(12.711.975)
1.1.3	Dividends Received		63.592	41.019
1.1.4	Fees and Commissions Received		502.794	570.341
1.1.5	Other Income		2.022.484	632.411
1.1.6	Collections from Previously Written off Loans		1.803.268	348.638
1.1.7	Payments to Personnel and Service Suppliers		(2.706.590)	(1.540.873)
1.1.8	Taxes Paid		(5.142.947)	(2.381.222)
1.1.9	Others		(5.520.464)	(1.402.130)
1.2 Changes in Operating Assets and Liabilities			8.727.745	(21.265.490)
1.2.1	Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(895.675)	(997.000)
1.2.2	Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3	Net (Increase) (Decrease) in Loans		(20.404.716)	(18.565.459)
1.2.4	Net (Increase) (Decrease) in Other Assets		(4.173.550)	(2.490.811)
1.2.5	Net (Increase) (Decrease) in Bank Deposits		-	-
1.2.6	Net (Increase) (Decrease) in Other Deposits		-	-
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		31.485.272	(573.988)
1.2.9	Net (Increase) (Decrease) in Matured Payable		-	-
1.2.10	Net (Increase) (Decrease) in Other Liabilities		2.716.414	1.361.768
I.	Net Cash Provided by / (used in) Banking Operations		12.780.012	(9.597.574)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
II.	Net Cash Provided by / (used in) Investing Activities		(3.968.201)	(9.138.777)
2.1	Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		(200.000)	-
2.2	Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(70.795)	(18.600)
2.4	Disposals of Property and Equipment		17.075	581
2.5	Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(7.717.932)	(8.471.914)
2.6	Sale of Financial Assets at Fair Value through Other Comprehensive Income		2.352.170	1.843.538
2.7	Purchase of Financial Assets Measured at Amortized Cost		(33.357)	(3.194.001)
2.8	Sale of Financial Assets Measured at Amortized Cost		1.709.071	704.972
2.9	Others		(24.433)	(3.353)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
III.	Net Cash Provided by / (used in) Financing Activities		(960.901)	15.796.931
3.1	Cash Obtained from Funds Borrowed and Securities Issued		14.838.951	26.829.047
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(15.602.998)	(10.916.103)
3.3	Capital Increase		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Leases		(196.854)	(116.013)
3.6	Other		-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		611.431	386.160
V.	Net Increase / (Decrease) in Cash and Cash Equivalents		8.462.341	(2.553.607)
VI.	Cash and Cash Equivalents at Beginning of the Period		9.551.313	12.104.573
VII.	Cash and Cash Equivalents at End of the Period		18.013.654	9.551.313

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SECTION THREE ACCOUNTING POLICIES

I. Basis of presentation

I.a Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial asset, liabilities and building revaluation model which are carried at fair value.

The unconsolidated financial statements and related explanations and footnotes included in this report have been prepared in accordance with the Regulation on the Procedures and Principles Regarding Banks' Accounting Applications and Document Retention and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency (BRSA) regarding the accounting and financial reporting principles of banks and the provisions of the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for matters not regulated by these (hereinafter collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). However, the TAS 29 "Financial Reporting in Hyperinflationary Economies" standard included in the TFRS is not applied to banks and financial leasing, factoring, financing, savings, financing and asset management companies as explained below.

The accounting policies and valuation principles used in the 2025 period are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXII below.

The format and content of the accompanying unconsolidated financial statements and footnotes have been prepared in accordance with the "Communique" on Publicly Announced Financial Statements Explanations and notes to the Financial Statements" and "Communique on Disclosures About Risk Management to be Announced to Public by Banks."

The accompanying unconsolidated financial statements and the explanatory footnotes, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL").

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. The same statement indicated that institutions or organizations authorized to regulate and supervise in their respective fields may determine different transition dates for the application of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BRSA), with its decision numbered 10744 dated December 12, 2023, decided that the financial statements of banks and financial leasing, factoring, financing, savings financing, and asset management companies as of December 31, 2023, would not be subject to inflation adjustment under TAS 29. According to the BRSA's decision numbered 10825 dated January 11, 2024, it was decided that banks and financial leasing, factoring, financing, savings financing, and asset management companies would transition to applying inflation accounting from January 1, 2025. However, the BRSA later announced, with its decision numbered 11021 dated December 5, 2024, that inflation accounting would not be applied in 2025. It was announced that at the Board meeting on December 18, 2025, it was decided to repeal the Board Decision No. 10825 dated January 11, 2024, and to prohibit banks and financial leasing, factoring, financing, savings financing, and asset management companies from applying inflation accounting. Accordingly, the Bank did not apply TAS 29 inflation accounting in its financial statements for the period ended December 31, 2025.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

I. Basis of presentation (Continued)

I.b The valuation principles used in the preparation of the financial statements (continued)

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the Turkish Accounting Standards and related regulations, explanations and circulars on accounting and financial reporting principles announced by the BRSA. These accounting policies and valuation principles are explained in the below notes through II to XXII.

As it is intended to update the financial information contained in the latest annual financial statements in the year-end financial statements prepared as of December 31, 2025, the Bank made estimates in the calculation of expected credit losses and disclosed these in footnote VIII "Disclosures on impairment of financial assets". In the coming periods, the Bank will update its relevant assumptions according to necessary extents and review the realizations of past estimates.

I.c The accounting policies for the correct understanding of the financial statements

The following accounting policies that applied according to BRSA regulations and TAS for the correct understanding of the financial statements and valuation principles used in preparation of the financial statements are presented in more detail below.

Changes in accounting policies and disclosures

TAS / TFRS changes, which entered into force as of January 1, 2025, do not have a significant effect on the accounting policies, financial status and performance of the Bank. TAS and TFRS changes, which were published but not put into effect as of the final date of the financial statements, will not have a significant effect on the accounting policies, financial status and performance of the Bank.

Additional paragraph for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation, as described in the preceding paragraphs, differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of TAS 29 - Financial Reporting in Hyperinflationary Economies as of December 31, 2025, and the differences between accounting principles have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flow of the Bank in accordance with IFRS.

II. Explanations on usage strategy of financial assets and foreign currency transactions

The main sources of the funds of the Bank have variable interest rates. The financial balances are monitored frequently, and fixed and floating interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

Since the great majority of the loans extended by the Bank have a flexibility of reflecting changes in the market interest rates to the customers, the interest rate risk is kept at minimum level. Moreover, the highly profitable Eurobond and the foreign currency government indebted securities portfolio have the attribute of eliminating the risks of interest rate volatility.

Interest rate risk is reduced by creating an asset composition in line with the fixed/variable cost structure of the resources used.

The fixed rate Subordinated bond, Eurobond issued by the Bank and a portion of fixed rate funds borrowed are subject to fair value hedge accounting. The Bank enters into interest rate swap agreements to hedge the change in fair values of its fixed rate and cross currency financial liabilities. The changes in the fair value of the hedged fixed rate financial liabilities and hedging interest cross-currency rate swaps are recognized under the trading profit/loss.

In the beginning and later period of the hedging transaction, the hedging transactions are expected to offset changes occurred in the relevant period of the hedging transaction and hedged risk (attributable to hedging risk), and effectiveness tests are performed in this regard.

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SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

II. Explanations on usage strategy of financial assets and foreign currency transactions (Continued)

The Bank performs effectiveness test at the beginning of the hedge accounting and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied if the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized and recognized in income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

The Bank liquidity is regularly monitored. Moreover, the need for liquidity in foreign currencies is safeguarded by currency swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors' expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in placement decisions. The long-term placements are made under project finance. A credit policy is implemented in such a way that harmonizing the profitability of the projects, the collateral and the value add introduced by the Bank.

The movements of foreign exchange rates in the market, interest rates and prices are monitored instantaneously. While taking positions, the Bank's unique operating and control limits are watched effectively besides statutory limits. Limit overs are not allowed

To protect against exchange rate risk arising from foreign currency transactions a stable foreign exchange strategy is implemented and to be secured from cross currency risk, the current foreign exchange position is monitored by considering a currency basket in specific foreign currencies.

The foreign exchange gains and losses on foreign currency transactions are accounted for in the period of the transaction. Foreign exchange assets and liabilities are translated to Turkish Lira using foreign exchange bid rate as of the reporting date, and the resulting gains and losses are recorded in foreign exchange gains or losses.

The Bank is exposed to financial risk which depends on changes in foreign exchange rates and interest rates due to activities and as part of banking activities uses derivative instruments to manage financial risk that especially associated with fluctuations in foreign exchange and interest rate. Mainly derivative instruments used by the Bank are foreign currency forwards, swaps and option agreements.

Derivative financial instruments are recognized at their fair value on the contract date and continue to be monitored at their fair value in subsequent reporting periods. Derivative financial instruments of the Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income".

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

III. Explanations on forward and option contracts and derivative instruments

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, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". 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.

TFRS 9 provides the option of deferring the adoption of TFRS 9 hedge accounting and the option to continue to apply the provisions of TAS 39 hedge accounting in the selection of accounting policies. In this context, the Bank continues to apply the provisions of TAS 39 hedge accounting. When a derivative financial instrument, is originally designed as a hedge by the Bank, the relationship between the Bank's financial risk from hedged item and the hedging instrument, the risk management objectives and strategy of hedging transaction and the methods that will be used in the measurement of effectiveness, describe in written. The Bank, at the beginning of the aforementioned engagement and during the ongoing process, evaluates whether the hedging instruments are effective on changes in the fair values or actual results of hedging are within the range of 80% - 125%.

IV. Explanations on associates and subsidiaries

In the unconsolidated financial statements, financial subsidiaries and Investments in associates are recognized equity method within the scope of the Turkish Accounting Standard 27 (TAS 27) "Separate Financial Statements".

In accordance with Turkish Accounting Standard 28 (TAS 28) for "Investments in Associates and Joint Ventures" in the equity method, the book value of investment in associates and subsidiaries is reflected in the financial statements in proportion to the Bank's share of the net assets of these investments. The portion of the profit or loss of investment in associates and subsidiaries that are included in the Bank's share is accounted in the income statement of the Bank. The portion of the other comprehensive income that falls on the Bank's share is accounted in the other comprehensive income statement of the Bank.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

V. Explanations on interest income and expenses

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 “Financial Instruments” standard by applying the effective interest rate via accrual basis to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

Within the scope of the application of TFRS 9, accrued interest and rediscount amounts related to loans and other receivables that have become non-performing as of the transfer date are not canceled. These amounts continue to be recognized under interest income, while expected credit loss calculations are conducted on these amounts in accordance with the relevant methodology.

VI. Explanations on fees and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related to 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 on the accrual basis of accounting throughout the service period. Revenues obtained through contracts or through the purchase of assets for a third-party real person or corporate person are recorded in the period when they occur.

VII. Explanations on financial assets

Initial recognition of financial instruments

Initial recognition of financial instruments the Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way to purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instrument shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

Assessment of business model

As for TFRS 9, the Bank’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model is not dependent on management’s intentions for an individual financial instrument, so the requirement is not an instrument-based classification approach, but rather an aggregate valuation of financial assets. While assessing the business model used for the management of financial assets, all relevant evidence available at the time of the assessment is considered. Such evidence includes:

- How the performance of financial assets held within the scope of the business model and business model is reported to key management personnel,
- Risks affecting the performance of the business model (financial assets held within the scope of the business model), and in particular the way these risks are managed and
- How the additional payments to managers are determined (for example, whether the bonuses are based on the fair value of the assets managed or on the contractual cash flows collected).

The business model evaluation is not made on the basis of scenarios that the business does not reasonably expect to occur, such as “worst case” or “pressure case” scenarios. The fact that cash flows differed from expectations at the time the business model was evaluated does not require error correction in the financial statements or a change in the classification of other financial assets using the same business model, if all relevant information available at the date of the business model evaluation is taken into account. However, when evaluating the business model for newly created or newly acquired financial assets, information about how cash flows have been realized in the past, along with other relevant information, is also taken into account. The aforementioned business models consist of three categories. These categories are stated below:

- Business model who’s aimed to hold assets in order to collect contractual cash flows: This is a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realize cash flows by collecting contractual payments over the life of the instrument. Financial assets held under this business model are measured at amortized cost if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance at specified dates.
- Business model who’s aimed to hold assets in order to collect contractual cash flows and sell financial assets: Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets held under this business model are accounted for at fair value through other comprehensive income if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance on certain dates.

- Other business models: Financial assets are measured at fair value through profit or loss in case they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss and derivative financial assets are assessed in this business model.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

Contractual cash flows that include only principal and interest payments on the principal balance

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets In a basic lending agreement, the time value of money and the cost of credit risk are often the most important elements of interest. Judgment is used to assess whether that element simply pays for the passage of time, considering relevant factors such as the currency in which the financial asset is expressed and the period in which the interest rate applies. Where the terms of the contract begin to expose it to risks or volatility of cash flows that are inconsistent with a core lending agreement, the financial asset is measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities

Financial assets are classified as compliance with TFRS 9 in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost

a. Financial assets at the fair value through profit or loss:

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aimed to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and in case of the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at fair value through profit or loss are recorded with their fair values and are then valued with their fair values. Gains and losses resulting from the valuation are included in the profit/loss accounts. In accordance with the Uniform Chart of Accounts (THP) explanations, the positive difference between the acquisition cost and the discounted value of the financial asset is in “Interest Income”, if the fair value of the asset is above the discounted value, the positive difference is calculated in the “Capital Market Transactions Profits” account. if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is recorded in the “Capital Market Transactions Losses” account. In case the financial asset is disposed of before its maturity, the resulting gains or losses are accounted for on the same basis.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate methods 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 amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss” under shareholders’ equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, have a quoted market price in an active market whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, and less provision for impairment.

During initial recognition an entity can choose in an irrevocable way 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.

c. Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

In the “Fair value through other comprehensive income” and “measured at amortized cost” securities portfolio of the Bank, there are Consumer Price Indexed (CPI) Bonds.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

c. Financial Assets Measured at Amortized Cost (Continued):

The Bank has considered the expected inflation index in future cash flows as of the balance sheet date when calculating the internal value of return for CPI-indexed securities. The resulting effect is accounted for in the financial statements under “Interest income from securities”. The Bank has considered the expected inflation index in future cash flows as of the balance sheet date when calculating the internal value of return for CPI-indexed securities. The resulting effect is accounted for in the financial statements under “Interest income from securities”. These securities are valued and accounted according to the effective interest method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The effect arising from this practice is accounted for in the financial statements under "Interest income from securities".

These securities are valued and accounted according to the effective interest method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. As stated in the Investor’s Guide of CPI Government Bonds by Republic of Turkey Ministry of Treasury and Finance the reference indices used to calculate the actual coupon payment amounts of these securities are based on the previous two months CPIs. The Bank determines the estimated inflation rate accordingly. The inflation rate, estimated considering the Central Bank of the Republic of Turkey and its expectations, is updated as needed throughout the year.

At the end of the year, the actual inflation rate is used.

d. 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 Interest Rate (internal rate of return) Method". Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

Turkish Lira (“TL”) cash loans are composed of foreign currency indexed loans and working capital loans; foreign currency (“FC”) cash loans are composed of investment loans, export financing loans and working capital loans.

All loans of the Bank have been classified under “Measured at Amortized Cost”, after loan portfolio passed the test of “All cash flows from contracts are made only by interest and principal” during the transition period.

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected in the income statement.

VIII. Explanations on impairment of financial assets

As of January 1, 2018, the Bank recognizes a loss allowance for expected credit losses on financial assets and loans measured at amortized cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit/loss based on TFRS 9 and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans”.

At each reporting date, whether the credit risk on a financial instrument has increased significantly since initial recognition is assessed. The Bank considers the changes in the default risk of financial instruments when making the assessment.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on impairment of financial assets (Continued)

Calculation of expected credit losses

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. Risk parameters used in TFRS 9 calculations are included in the future macroeconomic information. While macroeconomic information is included, macroeconomic forecasting models and multiple scenarios used in the Internal Capital Assessment Process (“ICAAP”) are considered.

The Bank uses internal rating systems for loan portfolio. The internal rating models used include customer financial information and knowledge of survey responses based on expert judgement. Probability of default calculation has been carried out based on past information, current conditions and forward-looking macroeconomic parameters.

Financial assets are divided into three categories depending on the increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment of credit risk is determined on the basis of the instrument’s lifetime expected credit losses. Calculation of expected credit losses is similar to descriptions above, but probability of default and loss given default rates are estimated through the life of the instrument.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized, and interest revenue is calculated on the net carrying amount. The probability of default is considered as 100%. Provision amounts for risks classified in Stage 3 are also determined using an individual assessment calculation.

The default assessment of the Bank is made according to the following conditions:

1. Objective Default Definition: It means debt has passed more than 90 days. Current definition of default in the Bank and its consolidated financial subsidiaries is based on more than 90 days past due definition.

2. Subjective Default Definition: It means debt is considered unlikely to be paid. Whenever an obligor is considered unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on impairment of financial assets (Continued)

Calculation of expected credit losses (Continued)

Debt instruments measured at fair value through other comprehensive income

The impairment requirements apply for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income in accordance with TFRS 9. However, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial assets in the statement of financial position. The expected credit loss is reflected in other comprehensive income, and the accumulated amount is recycled to statement of profit/loss following the derecognition of related financial assets.

Significant increase in credit risk

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses. However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Bank measures loss allowance regarding such instrument at an amount equal to “lifetime expected credit losses”.

The Bank considers the following key criteria in determining the financial assets to be classified as Stage 2 (Significant Increase in Credit Risk) due to a significant increase in credit risk.

- More than 30 days overdue from the notification date.
- A significant deterioration in the probability of default.
- When there is a change in the payment plan due to restructuring

Expected credit loss provisions are calculated based on either "Collective" or "Individual" assessments, depending on the nature of the receivables.

In future expectations, three scenarios are used as base, bad, and good, and these scenarios are weighted based on given probabilities.

IX. Statements regarding netting of financial instruments

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

X. Explanations on sales and repurchase agreements and lending of securities

Funds provided under repurchase agreements are accounted under “Funds Provided under Repurchase Agreements-TL” and “Funds Provided under Repurchase Agreements-FC” accounts.

Repurchase agreements (repo) are carried out using the financial instruments specified in the "Regulation on the Principles Regarding Repo and Reverse Repo Transactions to be Conducted by Banks". Marketable securities subject to repurchase agreements are classified under assets at fair value through profit or loss, assets at fair value through other comprehensive income or assets at measured at amortized costs with parallel to classifications of financial instruments. The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement. Receivables from reverse repurchase agreements are recorded in “Receivables from Reverse Repurchase Agreements” account in the balance sheet.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XI. Explanations on assets held for sale and discontinued operations

Assets for sale are measured at the lower level of the assets’ carrying amount and fair value less costs to sell. These assets are not amortized and presented separately in financial statements. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such asset (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the assets (or the disposal groups), and an active programmed to complete should be initiated to locate a customer. Also, the assets (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Also, the sale is expected to be accounted for as a completed sale beginning one year after the classification date; and the essential procedures to complete the plan should indicate the possibility of making significant changes on the plan or lower probability of cancelling.

Events or circumstances may extend the completion of the sale by more than one year. Such assets are still classified as being held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances that occurred beyond the control of the entity or the entry remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of a bank that either has been disposed of or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the income statement.

XII. Explanations on goodwill and other intangible assets

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the subsidiary or jointly controlled interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. As of reporting date, The Bank has no goodwill on the unconsolidated financial statements.

Intangible assets are depreciated on a straight-line basis over their expected useful lives. Depreciation methods and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights, and they are depreciated principally on a straight-line basis between 1-15 years.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIII. Explanations on tangible assets

Tangible assets rather than real estate, gain or loss resulting from disposals of the tangible assets are reflected in the income statement as the difference between the net proceeds and net book value. Normal maintenance and repair expenditures are recognized as expense.

As of the third quarter of 2015, the Bank changed its accounting policy and adopted revaluation method on annual basis under scope of Standard on Tangible Fixed Assets (TAS 16) with respect to valuation of immovable included in its building and lands. The amortization periods of real estate are specified in the appraisal's report. In case of the cost of tangible assets over the net realizable value estimated under the "Turkish accounting standards for impairment of assets" (TAS 36), the value of the asset is reduced to its "net realizable value" and are reserved impairment provision associated with expense accounts. The positive difference between appraisement value and net book value of the property is accounted under shareholder's equity. Related valuation models such as cost model, market value and discounted cash flow projections approaches are used in valuation of real estates. There is no pledge, mortgage or any other line on tangible assets. Tangible assets are depreciated with straight-line method, and their useful lives are determined in accordance with the Turkish Accounting Standards.

Depreciation rates and estimated useful lives of tangible assets are as follows:

Tangible Assets	Expected Useful Lives (Years)	Depreciation Rate (%)
Cash vault	4-50	2-25
Vehicles	5	20
Buildings	50	2
Other Tangible Assets	1-50	2-100

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leasing transactions

TFRS 16 Leases

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same. The Bank has started to apply "TFRS 16 Leases" Standard starting from January 1, 2019.

The Bank has applied TFRS 16 with a simplified retrospective approach. The new accounting policies of the Bank regarding application TFRS 16 are stated below:

Right-of-use assets

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- (a) the amount of lease liabilities recognized,
- (b) lease payments made at or before the commencement date, less any lease incentives received and
- (c) initial direct costs incurred.

Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

At the commencement date of the lease, Lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which are not paid at the commencement date of the lease:

- (a) Fixed payments,
- (b) Variable lease payments that depend on an index or a rate,
- (c) Amounts expected to be paid under residual value guarantees,
- (d) The exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease and
- (e) If the lease term reflects the Bank exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period during which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Bank uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leasing transactions (Continued)

Lease Liabilities

After the effective date of the lease, the Bank measures the lease obligation as follows:

- (a) The book value is increased to reflect the accretion of interest of lease liabilities and
- (b) The book value is reduced to reflect the lease payments made.

In addition, the carrying amount of lease liabilities is measured again if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

XV. Explanations on provisions and contingent liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If aforesaid criteria did not form, the Bank discloses the issues mentioned in notes to financial statements.

Explanations on contingent assets

Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation and discounted to present value if material. Contingent assets consist of unplanned or other unexpected events that usually cause a possible inflow of economic benefits to the Bank. Since recognition of the contingent assets in the financial statements would result in the accounting of an income, which may never be generated, the related assets are not included in the financial statements; on the other hand, if the inflow of the economic benefits of these assets to the Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Bank is almost certain, the related asset and the respective income are recognized in the financial statements of the period in which the change occurred. Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal.

XVI. Explanations on liabilities regarding employee benefits

Bank calculates a provision for severance pay to allocate that employees need to be paid upon retirement or involuntarily leaving by estimating the present value of probable amount. There is no indemnity obligations related to the employees who are employed with contracts of limited duration exceeding 12 month period. Actuarial gains and losses are accounted under Shareholder's Equity since January 1, 2013 in accordance with the Revised TAS 19. Employees of the Bank are members of "Türkiye Sınai Kalkınma Bankası Anonim Şirketi Memur ve Müstahdemleri Yardım ve Emekli Vakfı" and "Türkiye Sınai Kalkınma Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Vakfı" ("the Pension Fund"). Technical financial statements of those funds are subject to audit in accordance with the Insurance Law and provisions of "Regulations on Actuaries" issued based on the related law by an actuary registered in the Actuarial Registry.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on liabilities regarding employee benefits (Continued)

A temporary article published in the Official Gazette No. 32121 dated March 3, 2023 was added to the Social Insurance and General Health Insurance Law dated May 31, 2006 and numbered 5510. In the provisional article in question, "Those who request for monthly bonding after the effective date shall be entitled to old-age or pension in accordance with the provisions of subparagraph (B) of the first paragraph of the provisional Article 81 of the Law No. 506, the second paragraph of the provisional Article 10 of the Law No. 1479, the subparagraph (B) of the first paragraph of the provisional Article 2 of the Law No. 2925 and the provisional Article 205 of the Law No. 5434, they shall benefit from old-age or pension if they meet other conditions other than age in the said provisions. No retrospective payment shall be made on the basis of this paragraph, and no retrospective rights shall be claimed." In this context, the members of the pension fund have the opportunity to retire early as of April 1, 2023. This change has no significant impact on the Bank's financials and funds.

Paragraph 1 of the provisional Article 23 of the Banking Act ("Banking Act") No: 5411 published in the Official Gazette No: 25983 on November 1, 2005 requires the transfer of banking funds to the Social Security Institution within 3 years as of the enactment date of the Banking Act. Under the Banking Act, to account for obligations, actuarial calculations will be made considering the income and expenses of those funds by a commission consisting of representatives from various institutions. Such calculated obligation shall be settled in equal instalments in maximum 15 years. Nonetheless, the related Article of the Banking Law was annulled by the Constitutional Court's decision No: E. 2005/39 and K. 2007/33 dated March 22, 2007 that was published in the Official Gazette No: 26479 on March 31, 2007 as of the release of the related decision, and the execution of this article was cancelled as of its publication of the decision and the underlying reasoning for the cancellation of the related article was published in the Official Gazette No: 26731 on December 15, 2007.

After the publication of the reasoning of the cancellation decision of the Constitutional Court, articles related with the transfer of banks pension fund participants to Social Security Institution based on Social Security Law numbered 5754 were accepted by the Grand National Assembly of Turkey on April 17, 2008 and published in the Official Gazette No: 26870 on May 8, 2008.

Present value for the liabilities of the transferees as of the transfer date would be calculated by a commission that involves representatives of Social Security Institution, Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, SDİF, banks and banks' pension fund institutions and technical interest rate, used in actuarial account, would be 9,80%. If salaries and benefits paid by the pension fund of banks and income and expenses of the pension funds in respect of the insurance branches, stated in the Law, exceeds the salaries and benefits paid under the regulations of Social Security Institution, such differences would be considered while calculating the present value for the liabilities of the transferees and the transfers are completed within 3 years beginning from January 1, 2008.

According to the provisional Article 20 of 73rd article of Law No. 5754 dated April 17, 2008, has become effective on May 8, 2008 and was published in Official Gazette No: 26870, transfer of Pension Funds to Social Security Institution in three years has been anticipated. With the amendment in the first paragraph of the temporary article 20 of the Social Security and General Health Insurance Law No. 5510 published in the Official Gazette dated March 8, 2012, and numbered 28227, the 2-year postponement authority given to the Council of Ministers was increased to 4 years. It has been resolved that the transfer process has been extended two years with Council of Ministers' Decree, has become effective on April 9, 2011 and was published in the Official Gazette No: 27900. The transfer had to be completed by May 8, 2013. Accordingly, it has been resolved that, one more year extension with Council of Ministers Decree No: 2013/467, has become effective on May 3, 2013, and was published in the Official Gazette No: 28636 and transfer needs to be completed by May 8, 2014. However, it has been decided to extend the time related to transfer by the decision of Council of Minister published in the Official Gazette No. 28987 dated April 30, 2014, for one more year due to not realizing the transfer process.

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SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XVI. Explanations on liabilities regarding employee benefits (Continued)

In accordance with the Health and Safety Law numbered 6645 which became effective on April 4, 2015 and published in the Official Gazette No: 29335 and dated April 23, 2015 and together with some amendments and statutory decree, Council of Ministers authorized for the determination of transfer date to the Social Security institution and the transfer of Pension Fund was postponed to an unknown date.

This authority has passed to the President by Decree Law No. 703 published in the Official Gazette No. 30473 dated July 9, 2018. Unmet social benefits and payments of the pension fund participants and other employees that receive monthly income although they are within the scope of the related settlement deeds would be met by pension funds and the institutions employ these participants after the transfer of pension funds to the Social Security Institution.

The present value of the liabilities, subject to the transfer to the Social Security Institution, of the Pension Fund as of December 31, 2024 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per actuarial report dated January 22, 2025. There is no need for technical or actual deficit to book provision as of December 31, 2024. In addition, the Bank's management anticipates that any liability that may come out during the transfer period and after, in the context expressed above, would be financed by the assets of the Pension Fund and would not cause any extra burden on the Bank.

XVII. Explanations on taxation

Tax expense is the sum of current tax expense and deferred tax income or expense.

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit is calculated considering items of income or expense that are taxable or deductible, and items that are not taxable or deductible. Taxable profit therefore differs from the profit reported in the income statement.

With the Law submitted on July 5, 2023 and published in the Official Gazette dated July 15, 2023, amendments were made to Corporate Tax Law No. 5520. Accordingly, starting from the declarations to be submitted as of October 1, 2023, the corporate tax rate has been increased from 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

In the financial statements dated 31 December 2024, 30% was used as the tax rate in the period tax calculations.

In addition, with the amendment to the law, the tax exemption specified for real estate sales profits has been abolished, and the corporate tax exemption rate to be applied to the profits obtained from the sales of real estates included in the assets of the enterprises before July 15, 2023 will be applied as 25%.

Amendments were made to the Corporate Tax Law No. 5520 with the Law published in the Official Gazette dated November 27, 2024. Accordingly, The Corporate Tax exemption rate applied to the profits arising from the sale of participation shares that have been in the assets of corporations for at least two full years, as well as founder's shares, usufruct shares, pre-emptive rights and participation shares of investment funds that they have held for the same period, has been rearranged as 50%.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation (Continued)

The entirety of the income earned from the transfer of real estate, participation shares, founder bonds, dividend shares and pre-emptive rights owned by institutions that are subject to legal proceedings due to their debts to banks, financial leasing or financing companies or that are indebted to the Savings Deposit Insurance Fund, and their guarantors and mortgagees to banks, financial leasing or financing companies or to this Fund in return for these debts, and the portion of the income earned from the sale of real estate from the said assets obtained by banks, financial leasing or financing companies in this way, and the portion of the income earned from the sale of others, are exempted from corporate tax at 50%, 75% of the profits arising from the sale of others are exempt from corporate tax.

With the Presidential Decree published in the Official Gazette dated 22 December 2024 and numbered 32760, the withholding rate applied to dividends was changed from 10% to 15%. Based on this regulation, the current withholding rate is considered in dividend payments made to individuals and limited taxpayer institutions, considering the Double Taxation Avoidance Agreements.

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied as of the 2025 accounting period. "The institution of the Minimum Corporate Tax has been introduced with Law No. 7524, and a regulation has been made regarding the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject.

Turkey has started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with a Bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations entered into force with the laws published in the Official Gazette on August 2, 2024. The practice in Turkey is largely compatible with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. The secondary regulation regarding the calculation details and application method has not been published yet. In the preliminary assessments made by considering the regulations published by the OECD, it is assessed that the said regulations will not have any impact on the financials.

Within the scope of Article 298 of the Tax Procedure Code, it is stipulated that if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current accounting period, the financial statements will be subject to inflation adjustment and these conditions have been fulfilled as of December 31, 2021.

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SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation (Continued)

However, the Law No. 7352 "On the Amendment of the Tax Procedure Law and the Corporate Tax Law" published in the Official Gazette dated January 29, 2022 and numbered 31734 and the provisional Article 33 were added to the Tax Procedure Law No. 213 and the accounting periods of 2021 and 2022, including the temporary tax periods (as of the accounting periods ending in 2022 and 2023 for those who were assigned special accounting periods) and the 2023 accounting period within the scope of Article 298. It has been enacted that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the financial statements dated December 31, 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the profit/loss differences arising from the inflation adjustment will be shown in the profit/loss account of previous years. December 28, 2023 and published in the Official Gazette No. 32413, Some Laws and Decrees with the Force of Law No. 7491 on the Amendment of the Law No. 17, Banks, companies in accordance with the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies dated November 21, 2012 and No. 6361, payment and electronic money institutions, authorized exchange institutions, asset management companies, the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies, pay and electronic money institutions, asset management companies, it has been enacted that profit/loss differences arising from the inflation adjustment to be made by capital market institutions, insurance and reinsurance companies and pension companies in the accounting periods of 2024 and 2025, including temporary tax periods, will not be taken into account in the determination of earnings. The President is authorized to extend the periods determined within the scope of this paragraph up to an accounting period, including temporary tax periods.

With the Communiqué on the Amendment to the General Communiqué on Tax Procedure Law No. 547 (sequence No. 537) published in the Official Gazette dated January 14, 2023 and numbered 32073, the procedures and principles of the articles of the law allowing revaluations of immovable and depreciable economic assets have been reorganized. Accordingly, the Bank has subjected some of its assets on its balance sheet to revaluation until September 30, 2023, if it meets the conditions set out in the Provisional Article 32 of the Tax Procedure Code and the provisions of the Duplicate article 298/ç. As December 31, 2023, the revaluation has not been applied as of December 31, 2023 since the financial statements are subject to inflation adjustment as of December 31, 2023. In this context, corporate tax is calculated by considering the depreciation allocated on the values of the revalued assets subject to revaluation until September 30, 2023.

Law No. 7571, published in the Official Gazette dated December 25, 2025, and numbered 33118, stipulates that inflation adjustment will not be applied to the 2025 accounting period and the related provisional tax periods, as well as the 2026 and 2027 accounting periods, regardless of whether the conditions are met.

Periods for which inflation adjustment is not specified (including periods extended within the scope of authorization) are considered as periods in which the conditions for inflation adjustment have not been met; therefore, revaluation may be applied to depreciable assets in accordance with Article 298/c of the Tax Procedure Law during these periods. Accordingly, the Bank has revalued a portion of its assets on its Balance Sheet using the 25.49% revaluation rate announced for the relevant year.

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts considered in the calculation of the legal tax base according to the balance sheet method, considering the legal tax rates.

According to Article 298/c of the Tax Procedure Law, in the financial statements as of December 31,2025, the tax effects arising from revaluation have been included in the deferred tax calculation as of December 31, 2025.

Deferred tax is recognized for Stage 1 and Stage 2 expected loss provisions.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation (Continued)

Except for goodwill or business combinations, deferred tax liability or assets are not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of deferred tax assets is reviewed as of each balance sheet date. Carrying value of deferred tax assets is reduced to the extent that it is not probable that a taxable profit will be obtained to allow some or all of the deferred tax assets to be benefited. Deferred tax is calculated over the tax rates valid in the period when assets are created or liabilities are fulfilled and recorded as expense or income in the income statement.

However, if the deferred tax is related to assets directly associated with equity in the same or a different period, it is directly associated with the equity account group. Deferred tax receivables and liability are netted off.

Pursuant to Article 53 of the Banking Law dated October 19, 2005 and numbered 5411, all the special provisions set aside for loans and other receivables are considered as an expense in the determination of the corporate tax base in the year they are allocated pursuant to the second paragraph of the same article.

Transfer pricing

Transfer pricing is regulated through article 13 of Corporate Tax Law titled “Transfer Pricing Through Camouflage of Earnings”. Detailed information for the practice regarding the subject is found in the “General Communiqué Regarding Camouflage of Earnings Through Transfer Pricing”. According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against “arm’s length principle”, the gain is distributed implicitly through transfer pricing, and such distribution of gains is not subject to deductions in means of corporate tax.

XVIII. Additional explanations on borrowings

When it needs funding, the bank obtains resources from domestic and foreign institutions by resorting to debt instruments such as syndication, secured borrowing, and bond issuance.

The funds borrowed are recorded at their purchase costs and valued at amortized costs using the effective interest method. Some of the securities issued by the Bank and resources used with fixed interest rates are subject to fair value hedge accounting. While the credit risk and rediscounted accumulated interest on hedging liabilities are recorded in the income statement under the interest expense, the credit risk and net amount excluding accumulated interest results from hedge accounting are accounted in the income statement under the derivative financial instruments gains/losses by fair value.

XIX. Explanations on share certificates issued

This was decided at the Ordinary General Assembly meeting held on March 24, 2025: 1,300,000 TL from the 2024 net profit will be allocated to a special fund for the purpose of purchasing venture capital investment funds; the 9,915 TL profit from the sale of subsidiaries in 2024 will be held in a special account within equity; and the remaining amount will be set aside as extraordinary reserves.

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 28, 2024 in the previous period, It was approved that 5% of the net profit for the year be set aside as legal reserve fund, TL 997.000 be set aside as a special fund for the purpose of purchasing venture capital investment funds and the remaining portion be set aside as extraordinary reserve fund.

XX. Explanations on acceptances

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

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXI. Explanations on government incentives

The Bank does not use government incentives.

XXII. Explanations on segment reporting

In accordance with its mission, the Bank mainly operates in corporate and investment banking segments. Corporate banking serves financial solutions and banking services for its medium and large-scale corporate customers. Services given to corporate customers are investment credits, project financing, TL and foreign exchange operating loans, letters of credit, letters of guarantees and foreign trade transaction services covering letters of guarantee with external guarantees.

Income from the activities of investment banking includes income from the operations of Treasury and Corporate Finance. Under the investment banking activities, portfolio management for corporate, marketable securities intermediary activities, cash flow management and all types of corporate finance services are provided. The segmental allocation of the Bank’s net profit, total assets and total liabilities are shown below.

Current Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	6.263.058	10.807.296	-	17.070.354
Net Fees and Commission Income	293.717	139.248	(6.525)	426.440
Other Income	1.657.002	-	3.883.521	5.540.523
Other Expense	(4.778.947)	(839.800)	(2.596.842)	(8.215.589)
Profit Before Tax	3.434.830	10.106.744	1.280.154	14.821.728
Tax Provision				(3.438.935)
Net Profit				11.382.793
Current Period				
Segment Assets	225.285.371	81.074.058	7.504.217	313.863.646
Investment in Associates and Subsidiaries	-	-	12.793.203	12.793.203
Total Assets	225.285.371	81.074.058	20.297.420	326.656.849
Segment Liabilities	261.079.331	12.308.109	7.618.466	281.005.906
Shareholders' Equity	-	-	45.650.943	45.650.943
Total Liabilities	261.079.331	12.308.109	53.269.409	326.656.849

Prior Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	5.384.395	9.720.542	-	15.104.937
Net Fees and Commission Income	205.319	301.873	6.681	513.873
Other Income	389.929	-	2.785.403	3.175.332
Other Expense	(916.948)	(2.291.927)	(1.906.299)	(5.115.174)
Profit Before Tax	5.062.695	7.730.488	885.785	13.678.968
Tax Provision				(3.544.369)
Net Profit				10.134.599
Prior Period				
Segment Assets	158.390.390	57.260.853	6.188.348	221.839.591
Investment in Associates and Subsidiaries	-	-	9.420.766	9.420.766
Total Assets	158.390.390	57.260.853	15.609.114	231.260.357
Segment Liabilities	186.363.381	3.280.524	9.137.663	198.781.568
Shareholders' Equity	-	-	32.478.789	32.478.789
Total Liabilities	186.363.381	3.280.524	41.616.452	231.260.357

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations related to shareholders’ equity

The capital adequacy standard ratio has been calculated in accordance with the Regulation on Equity of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Banks and the BRSA decision numbered 11038 dated 19 December 2024. Within the framework of the said board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of June 28, 2024, while the equity item has been calculated without taking into account the negative net valuation differences of the securities acquired on or before January 1, 2024 and included in the “Securities at Fair Value Through Other Comprehensive Income” portfolio. The Bank’s capital adequacy standard ratio calculated as of 31 December 2025 is 25,69% (31 December 2024: 26,86%).

	Current Period	Prior Period
CORE EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	-	-
Reserves	25.153.739	15.053.976
Other comprehensive income according to TAS	6.777.309	4.906.986
Profit	11.382.793	10.134.599
Current Period Profit	11.382.793	10.134.599
Prior Period Profit	-	-
Bonus shares from associates, subsidiaries and joint ventures not accounted in current period’s profit	-	-
Core Equity Tier I Capital Before Deductions	46.114.215	32.895.935
Deductions from Core Equity Tier I Capital		
Valuation adjustments calculated as per the 1 st clause of 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	337.170	264.041
Leasehold improvements on operational leases	7.099	5.563
Goodwill (net of related tax liability)	-	-
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	21.008	5.985
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders’ equity (Continued)

Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net amount of defined benefit plans	-	-
Investments in own common equity	-	-
Shares obtained against article 56, paragraph 4 of Banking Law	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank does not own 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	1.208.120	1.112.437
Mortgage servicing rights not deducted	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I capital in cases where there are no adequate additional Tier I or Tier II capitals	-	-
Total Regulatory Adjustments to Tier I Capital	1.573.397	1.388.026
Core Equity Tier I Capital	44.540.818	31.507.909
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Core Equity and the Related Share Premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	12.800.760	10.519.950
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	12.800.760	10.519.950
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
The total of net long position of the direct or indirect investments in additional Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Core Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders’ equity (Continued)

Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	12.800.760	10.519.950
Total Tier I Capital (Tier I Capital=Core Equity Tier I Capital + Additional Tier I Capital)	57.341.578	42.027.859
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 (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.627.572	1.837.994
Tier II Capital Before Deductions	2.627.572	1.837.994
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
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 Common Equity Tier I capital (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.627.572	1.837.994
Total Capital (The sum of Tier I Capital and Tier II Capital)	59.969.150	43.865.853
Deductions from Total Capital		
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 sum of Tier I and Tier II (Capital) during the Transition Period		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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SECTION FOUR INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholder’s equity (Continued)		
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	59.969.150	43.865.853
Total Risk Weighted Assets	233.461.444	163.286.711
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	19,08	19,30
Tier I Capital Adequacy Ratio (%)	24,56	25,74
Capital Adequacy Ratio (%)	25,69	26,86
BUFFERS		
Total buffer requirement	2,506	2,509
a. Capital conservation buffer requirement (%)	2,500	2,500
b. Bank specific counter-cyclical buffer requirement (%)	0,006	0,009
c. Systematic significant buffer (%)	-	-
The ratio of Additional Core Equity Tier I capital which will be calculated by the first paragraph of Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	14,58	14,80
Amounts below the Excess Limits as per the Deduction Principles		
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	-	-
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	4.574.893	3.262.035
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	597.415	-
Limits Related to Provisions Considered in Tier II Calculation		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	6.554.465	4.964.758
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.627.572	1.837.994
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to Temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to Temporary Article 4	-	-

Explanations on the reconciliation between amounts related to equity items and on balance sheet

There are no differences between the amounts related to equity items and on balance sheet figures.

SECTION FOUR INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders’ equity (Continued)	
Information on debt instruments to be included in the equity calculation	
Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
Governing law(s) of the instrument	Regulation on Equity of Banks (Official Gazette Date: 05.09.2013 Official Gazette Number: 28756) Capital Markets Board Debt Instruments Communiqué VII-128.8 (Official Gazette Date: 07.06.2013 Official Gazette Number: 28670)
Consideration in Equity Calculation	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated included in the additional Tier 1 capital calculation bond issue
Instrument type	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date – Million USD)
Par value of instrument (Million USD)	300
Accounting classification	347001 (Liability) - Subordinated Debt Instruments
Original date of issuance	March 21, 2024
Perpetual or dated	Undated
Original starting and maturity date	March 21, 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	There is a refund payment option for the first 5 years (after the 5th year) on March 21, 2029. After the 5th year, the relevant option can be used. If not used after the 5th year, Available for every 5th Anniversary.
Subsequent call dates, if applicable	
Interest/dividend payments	
Fixed or floating dividend/coupon	Fixed / semiannually coupon payment, principal payment at the maturity
Coupon rate and any related index	9,75%
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory	Partly optional.
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	
If write-down, write-down trigger(s)	None.
If write-down, full or partial	Full and Partial
If write-down, permanent or temporary	Permanent and temporary.
If temporary write-down, description of write-up mechanism	None.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After contribution capitals
In compliance with article number 7 and 8 of “Own fund regulation”	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk

The sectoral breakdown of loans is documented monthly, and limitations are made according to evaluations. There is no limitation applied geographically. Monitoring and checking are made for the treasury operations. Risk limits are identified for the operations implemented.

The credit monitoring department screens the creditworthiness of loan customers once every six months regularly. The debtors’ creditworthiness is screened regularly in accordance with the related legislation. Their financial statements are obtained as prescribed in the legislation. The credit limits have been set by the Board of Directors, the Banks credit committee and the credit management. The Bank takes enough collateral for the loans and other receivables extended. The collaterals obtained consist of personal guarantees, mortgages, cash blockages and client checks.

Limits have also been set for transactions with banks. Credit risks are managed on the counterparty's creditworthiness and limits.

The definitions of overdue and impaired loans and information related to impairment and provisions are provided in Section Four, Note X.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Total amount of exposures after offsetting transactions but before applying risk mitigations and the average exposure amounts that are classified in different risk groups and types

	Current Period		Prior Period	
	Risk Amount (1)	Average Risk Amount (2)	Risk Amount (1)	Average Risk Amount (2)
Exposures to sovereigns and their central banks	51.420.219	52.259.246	38.985.559	29.077.593
Exposures to regional and local governments	-	15	-	-
Exposures to administrative bodies and noncommercial entities	26.882	92.913	232.172	327.701
Exposures to multilateral development banks	225.777	207.795	106.747	64.367
Exposures to international organizations	-	-	-	-
Exposures to banks and securities firms	18.191.131	12.686.960	9.301.052	10.535.912
Exposures to corporates	207.640.883	198.168.065	144.766.260	139.089.790
Retail exposures	-	-	-	-
Exposures secured by property	4.347.270	3.471.504	3.198.999	1.295.422
Past due receivables	1.476.268	655.219	457.704	745.385
Exposures in higher-risk categories	155.195	126.272	6.909	7.009
Exposures in the form of bonds secured by Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Equity investments in the form of	2.988.050	1.793.396	1.397.348	460.550
Equity investments	12.736.274	10.940.836	9.194.601	7.777.309
Other exposures	2.588.332	2.565.439	3.039.349	3.616.798

(1) Includes total risk amounts before the effect of credit risk mitigation.
(2) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

There are control limits on positions held in the form of futures and options contracts and other similar contracts. Limits are continuously checked by the bank management. Credit risk is managed together with the potential risks arising from market movements. Credit risk, market risk, liquidity risk and other risks are considered as a whole. When exposed to significant credit risk, the Bank is on the verge of reducing total risk by concluding futures and similar contracts, exercising their rights, fulfilling or selling their performances in a short period of time. Indemnified non-cash loans are subject to the same risk weight as the unpaid credits when they occur.

Except for the monitoring method determined by the related legislation of the renewed and re-amortized loans, the current rating of the relevant company is changed within the Bank within the scope of internal rating application, and all kinds of measures are taken for risk classification. The Bank follows concentration on a maturity basis and examines the risks that differ from the normal course. Foreign transactions are made with many correspondent banks in many countries. The counterparty limits have been set in transactions with banks. As an active participant in the international banking market, the Bank does not have significant credit risk concentration when evaluated together with the financial activities of other financial institutions.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

The first 100 and 200 largest cash loans constitute 78,84% and 96,41% of the total cash loans portfolio of the Bank respectively (December 31, 2024: 80,78% and 96,97%).

The first 100 and 200 largest non-cash loans constitute 100% and 100% of the total non-cash loans portfolio of the Bank respectively (December 31, 2024: 100% and 100%).

The first 100 and 200 largest cash and non-cash loans constitute 76,81% and 95,12% of the total on and off-balance sheet accounts of the Bank respectively (December 31, 2024: 79,65% and 96,42%).

For the credit risk assumed by the Bank, the expected loss provision for stage 1 and stage 2, measured in accordance with the TFRS 9 forecast loss model, is TL 6.568.132 (December 31, 2024: TL 4.977.679).

Credit risk is assessed according to the Bank's internal rating model. While the ratings of the customers outside the financial sector in the loan portfolio are made with the internal rating model, the ratings of the customers involved in the financial sector are matched to the internal ratings of the Bank given by external rating agencies.

Credit risk is assessed according to the Bank's internal rating model distribution of cash loans, non-cash loans and financial leasing receivables given table below.

Loan Quality Categories	Current Period (%)	Prior Period (%)
Above Average Grade	40,36	41,63
Average Grade	50,60	46,73
Below Average Grade	6,92	9,63
Impaired	2,12	2,01
Total	100,00	100,00

As of December 31, 2025, there are no loans under close monitoring with a delay of 31 days or more; therefore, no aging analysis is presented (December 31, 2024: None).

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Profile of significant exposures in major region

	Risk Types (1)																
Current Period	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	Total
Domestic	51.368.659	-	5.397	-	-	15.871.309	185.055.950	-	4.347.010	1.476.268	35.503	-	-	2.988.050	966.654	2.481.120	264.595.920
European Union (EU) Countries	-	-	-	133	-	526.815	16.275	-	-	-	-	-	-	-	184.536	107.212	834.971
OECD Countries (2)	-	-	-	68.080	-	736.592	485.712	-	-	-	-	-	-	-	-	-	1.290.384
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	120.965	-	983.520	-	-	-	-	-	-	-	-	-	-	1.104.485
Other Countries	-	-	-	36.599	-	3.765	2.055	-	-	-	-	-	-	-	-	-	42.419
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.585.083	-	11.585.083
Unallocated Assets/ Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	51.368.659	-	5.397	225.777	-	18.122.001	185.559.992	-	4.347.010	1.476.268	35.503	-	-	2.988.050	12.736.273	2.588.332	279.453.262

(1) Risk types in the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

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

(3) Includes asset and liability items that cannot be allocated on a consistent basis.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Profile of significant exposures in major regions (Continued)

	Risk Types (1)																
	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	Total
Prior Period																	
Domestic	38.987.780	-	46.447	-	-	8.229.179	131.567.260	-	3.198.999	457.704	2.720	-	-	1.397.348	198.090	2.198.973	186.284.500
European Union (EU)																	
Countries	-	-	-	196	-	81.150	-	-	-	-	-	-	-	-	688.183	109.801	879.330
OECD Countries (2)	-	-	-	21.229	-	475.592	418.625	-	-	-	-	-	-	-	-	-	915.446
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	66.468	-	401.782	-	-	-	-	-	-	-	-	-	-	468.250
Other Countries	-	-	-	18.854	-	4.057	5.404	-	-	-	-	-	-	-	-	-	28.315
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.308.328	-	8.308.328
Unallocated Assets/ Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	38.987.780	-	46.447	106.747	-	9.191.760	131.991.289	-	3.198.999	457.704	2.720	-	-	1.397.348	9.194.601	2.308.774	196.884.169

(1) Risk types in the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” have been used. Since there is no securitization position, risk class of “Securitization Positions” has not been included in the table.
Includes risk amounts after the effect of credit risk mitigation and the credit conversion.
(2) Includes OECD countries other than EU countries, USA and Canada.
(3) Includes asset and liability items that cannot be allocated on a consistent basis.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

	Risk Types (1)																		
Current Period	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	TL	FC	Total
Agriculture	-	-	-	-	-	-	1.404.353	-	-	-	16	-	-	-	-	340	47.895	1.356.814	1.404.709
Farming and Stockbreeding	-	-	-	-	-	-	1.404.353	-	-	-	16	-	-	-	-	-	47.555	1.356.814	1.404.369
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Manufacturing	-	-	-	-	-	-	137.592.125	-	2.864.866	1.457.051	7.351	-	-	-	-	185.000	12.993.465	129.112.928	142.106.393
Mining and Quarrying	-	-	-	-	-	-	640.175	-	-	-	-	-	-	-	-	-	392	639.783	640.175
Production	-	-	-	-	-	-	65.227.609	-	2.591.706	1.276.496	7.348	-	-	-	-	185.000	6.844.520	62.443.639	69.288.159
Electricity, Gas and Water	-	-	-	-	-	-	71.724.341	-	273.160	180.555	3	-	-	-	-	-	6.148.553	66.029.506	72.178.059
Construction	-	-	-	-	-	-	5.460.913	-	897.771	-	28.136	-	-	-	-	1.174.480	2.073.134	5.488.166	7.561.300
Services	4.385.353	-	5.396	225.777	-	18.122.001	36.437.671	-	584.373	19.217	-	-	-	2.988.050	12.736.273	499.295	29.246.397	46.757.009	76.003.406
Wholesale and Retail Trade	-	-	-	-	-	-	2.138.527	-	-	19.217	-	-	-	-	-	-	492.285	1.665.459	2.157.744
Accommodation and Dining	-	-	-	-	-	-	4.950.291	-	45.542	-	-	-	-	-	-	-	45.542	4.950.291	4.995.833
Transportation and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunication	-	-	-	-	-	-	8.049.158	-	538.831	-	-	-	-	-	4.966	-	544.366	8.048.589	8.592.955
Financial Institutions	4.385.353	-	5.396	225.777	-	18.122.001	12.488.568	-	-	-	-	-	-	2.988.050	12.548.862	499.295	26.106.790	25.156.512	51.263.302
Real Estate and Rental Services	-	-	-	-	-	-	1.873.023	-	-	-	-	-	-	-	-	-	1.873.023	-	1.873.023
Professional Services	-	-	-	-	-	-	168.428	-	-	-	-	-	-	-	182.445	-	184.391	166.482	350.873
Educational Services	-	-	-	-	-	-	204.452	-	-	-	-	-	-	-	-	-	-	204.452	204.452
Health and Social Services	-	-	-	-	-	-	6.565.224	-	-	-	-	-	-	-	-	-	-	6.565.224	6.565.224
Others	46.983.306	-	1	-	-	-	4.664.930	-	-	-	-	-	-	-	-	729.217	29.621.407	22.756.047	52.377.454
Total	51.368.659	-	5.397	225.777	-	18.122.001	185.559.992	-	4.347.010	1.476.268	35.503	-	-	2.988.050	12.736.273	2.588.332	73.982.298	205.470.964	279.453.262

Risk profile by sectors or counterparties

(1) Risk types in the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” have been used. Since there is no securitization position, risk class of “Securitization Positions” has not been included in the table.
Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

	Risk Types (1)															TL	FC	Total
	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and non-commercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures		
Prior Period	-	-	-	-	-	-	62.775	-	-	-	16	-	-	-	-	340	356	63.131
Agriculture	-	-	-	-	-	-	62.775	-	-	-	16	-	-	-	-	-	16	62.775
Farming and Stockbreeding	-	-	-	-	-	-	62.775	-	-	-	16	-	-	-	-	-	16	62.791
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Manufacturing	-	-	-	-	-	-	95.088.338	-	1.521.544	149.195	2.685	-	-	-	-	185.000	10.568.864	96.946.762
Mining and Quarrying	-	-	-	-	-	-	1.338.065	-	-	-	-	-	-	-	-	-	2.292	1.338.065
Production	-	-	-	-	-	-	42.165.071	-	1.311.774	5.170	41	-	-	-	-	185.000	4.475.126	43.667.056
Electricity, Gas and Water	-	-	-	-	-	-	51.585.202	-	209.770	144.025	2.644	-	-	-	-	-	6.091.446	51.941.641
Construction	-	-	-	-	-	-	3.493.530	-	682.133	289.029	19	-	-	-	-	-	293.588	4.464.711
Services	2.870.125	-	46.445	106.747	-	9.191.760	30.060.908	-	995.322	19.480	-	-	-	1.397.348	9.194.601	1.595.541	16.190.397	55.478.277
Wholesale and Retail Trade	-	-	-	-	-	-	1.627.003	-	50.626	19.480	-	-	-	-	-	-	424.921	1.697.109
Accommodation and Dining	-	-	-	-	-	-	3.678.764	-	234.000	-	-	-	-	-	-	-	3.896.267	3.912.764
Transportation and Telecommunication	-	-	-	-	-	-	8.155.582	-	643.841	-	-	-	-	-	5.167	1.174.479	1.180.216	9.979.069
Financial Institutions	2.870.125	-	46.445	106.747	-	9.191.760	9.017.516	-	-	-	-	-	-	1.397.348	9.047.121	421.062	12.625.117	32.098.124
Real Estate and Rental Services	-	-	-	-	-	-	1.937.731	-	-	-	-	-	-	-	-	-	1.799.645	1.937.731
Professional Services	-	-	-	-	-	-	263.558	-	-	-	-	-	-	-	142.313	-	144.001	405.871
Educational Services	-	-	-	-	-	-	232.187	-	-	-	-	-	-	-	-	-	-	232.187
Health and Social Services	-	-	-	-	-	-	5.148.567	-	66.855	-	-	-	-	-	-	-	5.215.422	5.215.422
Others	36.117.655	-	2	-	-	-	3.285.738	-	-	-	-	-	-	-	-	527.893	22.540.599	39.931.288
Total	-	-	-	-	-	-	62.775	-	3.198.999	457.704	2.720	-	-	1.397.348	9.194.601	2.308.774	49.593.804	196.884.169

Risk profile by sectors or counterparties

(1) The risk classes in the Regulation on the Measurement and Assessment of Capital Adequacy of Banks were taken into consideration. Since there are no securitization positions, the risk class "Securitization Positions" is not included in the table. Risk amounts after credit conversion rate and credit risk reduction are included.

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities

Risk Types (1)	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Prior Period	5.229.719	1.839.960	1.042.372	1.783.215	41.469.193
Exposures to sovereigns and their central banks	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	5.371	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	11.815.620	3.405.679	855.791	130.206	1.133.842
Exposures to corporates	3.261.920	4.355.075	7.022.143	9.158.666	160.301.628
Retail exposures	-	-	-	-	-
Exposures secured by property	1.493	2.845	65.035	104.117	4.173.260
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	-	-	-	-	35.384
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	395	804	1.202	3.890	11.146
Total	20.314.518	9.604.363	8.986.543	11.180.094	207.124.453

(1) The conversion rate to credit and the risk amounts after credit risk reduction are included.

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities (Continued)

Risk Types (1)	Term to Maturity			
	1 month	1-3 months	3-6 months	6-12 months
Prior Period	2.389.547	30.306	2.501.177	1.856.688
Exposures to sovereigns and their central banks	-	-	-	-
Exposures to regional and local governments	-	-	-	-
Exposures to administrative bodies and noncommercial entities	46.431	-	-	-
Exposures to multilateral development banks	-	-	-	-
Exposures to international organizations	-	-	-	-
Exposures to banks and securities firms	6.096.982	516.627	859.482	30.170
Exposures to corporates	2.995.116	5.809.825	8.892.438	7.832.088
Retail exposures	-	-	-	-
Exposures secured by property	72.748	2.845	14.822	99.381
Past due receivables	-	-	-	-
Exposures in higher-risk categories	-	-	-	2.087
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-
Equity investments	-	-	-	-
Other exposures	218	883	1.161	3.335
Total	11.601.042	6.360.486	12.269.080	9.821.662

(1) The conversion rate to credit and the risk amounts after credit risk reduction are included.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Disclosures on credit risk

In determining the risk weights of the risk classes specified in Article 6 of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, the international ratings of Fitch Ratings International Rating and JCR Avrasya Derecelendirme A.Ş. are used.

The ratings given by Fitch Ratings are used for receivables from banks and intermediary institutions whose counterparty is a resident of abroad and for receivables from central governments and central banks in the risk classes. The ratings given by JCR Avrasya Derecelendirme A.Ş. are used for receivables from banks and intermediary institutions whose counterparties are resident domestically and corporate receivables are included in the risk classes and for receivables that are denominated in TL. Other receivables from domestic residents who are not included in this scope are considered as ungraded. Credit ratings for these risk classes are not used for other assets from the borrower.

The table on matching the ratings used in the calculations to the credit quality grades is given below.

Credit Quality Level	1	2	3	4	5	6
Grade	AAA with AA-	A+ with A-	BBB+ with BBB-	BB+ with BB-	B+ with B-	CCC+ and below

Exposures by risk weights

Current Period												Deductions from Equity
Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	
Amount Before Credit Risk Mitigation	51.594.436	-	19.620.781	-	17.509.668	-	186.125.261	28.223	-	4.574.893	-	1.236.227
Amount After Credit Risk Reduction	51.594.436	-	19.620.781	-	21.877.839	-	181.757.090	28.223	-	4.574.893	-	1.236.227

Prior Period												Deductions from Equity
Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	
Amount Before Credit Risk Mitigation	39.092.306	-	10.849.845	-	13.952.429	-	129.243.933	483.621	-	3.262.035	-	1.123.985
Amount After Credit Risk Reduction	39.094.527	-	10.849.845	-	17.156.660	-	126.037.481	483.621	-	3.262.035	-	1.123.985

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Information of major sectors or type of counterparties

The Bank's all impaired and non-performing receivables comprise of domestic receivables.

Current Period	Loans (1)		Provisions
Major Sectors / Counterparties	Impaired		Expected Credit Losses (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Defaulted (Stage 3)	
Agriculture	-	28.469	28.469
Farming and Stockbreeding	-	28.469	28.469
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	10.396.336	4.022.148	6.433.159
Mining and Quarrying	-	-	-
Production	462.976	3.360.546	2.196.094
Electricity, Gas and Water	9.933.360	661.602	4.237.065
Construction	5.499.874	1.436.926	2.722.311
Services	603.138	222.203	379.963
Wholesale and Retail Trade	523.855	48.043	185.982
Accommodation and Dining	-	-	-
Transportation and Telecommunication	79.283	174.160	193.981
Financial Institutions	-	-	-
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	449.026	-	22.451
Total	16.948.374	5.709.746	9.586.353

1) Includes breakdown of cash loans and financial lease receivables.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Information of major sectors or type of counterparties (Continued)

Prior Period	Loans (1)		Provisions
Major Sectors / Counterparties	Impaired	Defaulted	Expected Credit Losses
	Significant Increase in Credit Risk (Stage 2)	(Stage 3)	
Agriculture	-	28.151	28.148
Farming and Stockbreeding	-	28.151	28.148
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	4.476.254	1.959.313	3.624.464
Mining and Quarrying	-	-	-
Production	818.075	11.448	282.108
Electricity, Gas and Water	3.658.179	1.947.865	3.342.356
Construction	2.960.061	1.452.674	2.449.119
Services	3.633.754	232.877	981.850
Wholesale and Retail Trade	392.797	48.700	147.061
Accommodation and Dining	-	-	-
Transportation and Telecommunication	3.240.957	184.177	834.789
Financial Institutions	-	-	-
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	327.711	-	14.420
Total	11.397.780	3.673.015	7.098.001

(1) The distribution of cash loans and financial leasing receivables is included.

Information related to value adjustments and loan loss provisions

Current Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	3.219.464	2.681.708	(1.661.150)	-	4.240.022
Stage 1-2 Provisions	4.977.679	1.860.163	(269.710)	-	6.568.132

Prior Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	3.157.421	533.797	(471.754)	-	3.219.464
Stage 1-2 Provisions	5.275.805	910.643	(1.208.769)	-	4.977.679

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Exposures subject to countercyclical capital buffer

The geographical distribution of receivables from the private sector is considered for Calculation of Bank specific Counter Cyclical Capital Buffer with the scope of Capital Conservation and Counter-Cyclical Capital Buffers Regulation which is published on the Official Gazette no. 28812 dated November 5, 2013 and sub-arrangements are given table below.

Current Period	Private Sector Loans	Risk Weighted Amount	
Country risk taken ultimately	in Banking Book	calculations for Trading Book	Total
United States	16.655	-	16.655
England	492.393	-	492.393
Luxembourg	291.748	-	291.748
Saudia Arabia	2.055	-	2.055
Austria	16.273	-	16.273
Turkey	202.588.471	5.838	202.594.309
Total	203.407.595	5.838	203.413.433

Prior Period	Private Sector Loans	Risk Weighted Amount	
Country risk taken ultimately	in Banking Book	calculations for Trading Book	Total
United States	348	-	348
England	421.045	-	421.045
Luxembourg	797.983	-	797.983
Saudia Arabia	5.404	-	5.404
Turkey	142.262.125	5.838	142.267.963
Total	143.486.905	5.838	143.492.743

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk

The exchange rate risk to which the Bank is exposed is shaped by the difference between its foreign currency and foreign currency-indexed assets and its foreign currency-denominated liabilities. On the other hand, the value changes of different currencies relative to each other emerge as another dimension of exchange rate risk.

Exchange rate risks that may occur are still calculated on a monthly basis in the exchange rate risk table within the scope of the standard method, and the results are reported to the official authorities and the Bank's senior management. Thus, exchange rate risk is closely monitored.

The position limit for currency risk is calculated in accordance with the terms of the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis".

As part of the overall market risk, currency risk is also taken into account in the calculation of the Standard Ratio of Capital Adequacy.

Announced current foreign exchange buying rates of the Bank as at reporting date and the previous five working days in US Dollar and Euro are as follows:

	1 US Dollar	1 Euro
The Bank's "Foreign Exchange Valuation Rate"		
December 31, 2025	42,6692	50,0766
Prior Five Workdays:		
December 30, 2024	42,6858	50,2668
December 29, 2024	42,6759	50,1741
December 26, 2024	42,4983	50,0715
December 25, 2024	42,5460	50,1022
December 24, 2024	42,5532	50,1872

Simple arithmetic one-month averages of the US Dollar and Euro buying rates of the Bank before the reporting date are full TL 42,4089 and 49,6715 respectively.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk (Continued)

Information on the Bank's foreign currency risk:

Current Period	Euro	US Dollar	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	223.737	5.478.926	-	5.702.663
Banks (8)	1.246.720	7.162.386	23.991	8.433.097
Financial Assets at Fair Value Through Profit or Loss (1)	320.978	241.262	-	562.240
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.555.846	4.151.925	-	7.707.771
Loans (2)	121.385.018	92.948.181	-	214.333.199
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost (3)	1.351.290	16.152.372	-	17.503.662
Derivative Financial Assets for Hedging Purposes (4)	-	419.768	-	419.768
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (5)	102.191	152.385	-	254.576
Total Assets	128.185.780	126.707.205	23.991	254.916.976
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	492.761	4.549.507	-	5.042.268
Funds Provided From Other Financial Institutions	86.523.571	104.368.112	-	190.891.683
Marketable Securities Issued	-	73.736.340	-	73.736.340
Miscellaneous Payables	342.079	1.468.039	12.920	1.823.038
Derivative Financial Liabilities for Hedging Purposes (4)	-	94.907	-	94.907
Other Liabilities (6)	617.548	1.045.894	-	1.663.442
Total Liabilities	87.975.959	185.262.799	12.920	273.251.678
Net Balance Sheet Position	40.209.821	(58.555.594)	11.071	(18.334.702)
Net Off-Balance Sheet Position	(39.500.444)	57.339.981	102	17.839.639
Financial Derivative Assets	9.059.257	64.309.269	257.997	73.626.523
Financial Derivative Liabilities	(48.559.701)	(6.969.288)	(257.895)	(55.786.884)
Non-Cash Loans (7)	18.809.521	13.825.735	-	32.635.256
Prior Period				
Total Assets	71.331.406	108.058.421	413.743	179.803.570
Total Liabilities	44.025.712	148.613.054	372.620	193.011.386
Net Balance Sheet Position	27.305.694	(40.554.633)	41.123	(13.207.816)
Net Off -Balance Sheet Position	(27.068.889)	39.686.533	(36.477)	12.581.167
Financial Derivative Assets	1.633.323	42.504.987	861.540	44.999.850
Financial Derivative Liabilities	(28.702.212)	(2.818.454)	(898.017)	(32.418.683)
Non-Cash Loans (7)	4.666.145	13.578.772	-	18.244.917

(1) Exchange rate differences arising from derivative transactions amounting to TL 129.333 is deducted from "Financial Assets at Fair Value Through Profit and Loss"
(2) Loans include TL 307.084 foreign currency indexed loans, TL 1.148.738 financial lease receivables, TL 1.344 non-performing loans, and TL (1.344) credit-impaired losses (stage III / specific provision), (6.287.561) TL 1. and 2. the stage includes the expected loss provision amounts (including foreign currency indexed loans).
(3) (12.100) TL includes the amount of Stage 1 expected loss provision.
(4) Derivative financial assets for hedging purposes have classified in line of derivative financial assets in financial statement. Derivative financial liabilities for hedging purposes are classified in line of derivative financial liabilities in financial statement. Foreign exchange difference accrual amounting to TL (204.000) related to "Hedging Derivative Financial Assets" have not been taken into consideration. The exchange rate difference discount of (467.014) TL has not been considered in the "Hedging Derivative Financial Liabilities" line.
(5) It does not include paid expenses in the amount of TL 31.664 and foreign currency purchase commitment accruals in the amount of TL 1.306. TL (31) includes the amount of expected credit loss provision at Stage 1.
(6) Derivative financial transactions currency difference rebates amounting to TL (283.254) and foreign currency exchange commitments rebates amounting to TL 70 are not included in the "Other Liabilities" line.
(7) There is no effect on the net off-balance sheet position.
(8) (6.289) TL includes the amount of Stage 1 expected loss provision.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk (Continued)

The Bank is mostly exposed to Euro, US Dollars and other foreign currencies.

The following tables detail the Bank's sensitivity to 10% increase/decrease in the TL against US Dollar, Euro and other currencies.

	Increase in Currency Rate	Effect on Profit / Loss (1)		Effect on Equity (2)	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	(131.092)	(81.013)	9.531	(5.797)
Euro	10	30.538	(1.830)	40.400	25.510
Other	10	1.117	465	-	-

	Decrease in Currency Rate	Effect on Profit / Loss (1)		Effect on Equity (2)	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	131.092	81.013	(9.531)	5.797
Euro	10	(30.538)	1.830	(40.400)	(25.510)
Other	10	(1.117)	(465)	-	-

(1) Values expressed are before the tax effect.
(2) Effect on equity does not include effect on profit/loss.

IV. Explanations related to interest rate risk

Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank. General and specific interest rate risk tables in the standard method, by including assets and liabilities, are considered in determination of Capital Adequacy Standard Ratio and to calculate the overall interest rate risk of the Bank.

Forecast results, which have been formed using estimation-simulation reports are prepared and then the effects of fluctuations in interest rates are evaluated with sensitivity and scenario analysis. Cash requirement for every maturity period is determined based on maturity distribution analysis (Gap). In addition, a positive spread between the yield on assets and the cost of liabilities is kept while determining interest rates.

The amount of local borrowings is very low considering the total liabilities of the Bank. As the Bank is a development and investment bank, it obtains most of the funding from abroad.

The fluctuations in interest rates are controlled with interest rate risk tables, gap analysis, scenario analysis and stress tests, its effect on assets and liabilities and the probable changes in cash flows are being screened. The Bank screens many risk control ratios including the markets risk ratio to the sum of risk weighted assets and the ratio of the value at risk calculated as per the internal model to the equity.

Under the scope of risk policies, continuous controls are made to prevent assets or shareholders' equity from adverse effects because of fluctuations in interest rates or liquidity difficulties and top management. The Board of Directors and the Audit Committee are informed of these risks.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1) (2)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	5.703.137	5.703.137
Banks	7.386.636	-	-	-	-	1.055.280	8.441.916
Financial Assets at Fair Value Through Profit and Loss	1.159.447	30.903	357.023	332.523	7.580	2.889.495	4.776.971
Money Market Placements	5.748.232	3.231.935	835.291	-	-	-	9.815.458
Financial Assets at Fair Value Through Other Comprehensive Income	4.784.574	3.391.286	4.741.483	11.556.020	725.101	1.513.005	26.711.469
Loans	46.940.192	49.766.683	99.432.120	32.144.186	3.363.088	-	231.646.269
Financial Assets Measured at Amortized Cost	291.686	6.441.322	3.131.680	16.390.517	1.125.243	-	27.380.448
Other Assets	-	-	-	-	-	12.181.181	12.181.181
Total Assets	66.310.767	62.862.129	108.497.597	60.423.246	5.221.012	23.342.098	326.656.849
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	3.568.019	2.464.716	-	-	-	-	6.032.735
Miscellaneous Payables	-	-	-	-	-	1.980.740	1.980.740
Marketable Securities Issued (3)	17.211.079	341.830	818.764	55.364.667	-	-	73.736.340
Funds Provided from Other Financial Institutions	20.385.800	60.480.449	104.788.796	7.155.228	808.092	-	193.618.365
Other Liabilities	587.833	186.370	859.377	222.015	-	49.433.074	51.288.669
Total Liabilities	41.752.731	63.473.365	106.466.937	62.741.910	808.092	51.413.814	326.656.849
Balance Sheet Long Position	24.558.036	-	2.030.660	-	4.412.920	-	31.001.616
Balance Sheet Short Position	-	(611.236)	-	(2.318.664)	-	(28.071.716)	(31.001.616)
Off-Balance Sheet Long Position	-	-	-	44.278.271	396.598	-	44.674.869
Off-Balance Sheet Short Position	(14.564.448)	(1.854.059)	(28.542.735)	-	-	-	(44.961.242)
Total Position	9.993.588	(2.465.295)	(26.512.075)	41.959.607	4.809.518	(28.071.716)	(286.373)

(1) Amounts in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other foreign resources other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, to reconcile the total assets and liabilities on the balance sheet.
(2) Expected credit losses for stage 1 and stage 2 are shown on the other assets, non-interest bearing.
(3) It also includes issued bonds that possess the characteristics of Tier 1 capital and are classified under capital-like debt instruments on the balance sheet.

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SECTION FOUR (Continued)							
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)							
IV. Explanations related to interest rate risk (Continued)							
Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)							
Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1)(2)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	7,345	-	-	-	-	2,873,080	2,880,425
Banks	6,314,635	-	-	-	-	1,361,227	7,675,862
Financial Assets at Fair Value Through Profit and Loss	2,028,347	291,731	416,746	320,616	-	1,383,875	4,441,315
Money Market Placements	598,282	486,627	838,982	-	-	-	1,923,891
Financial Assets at Fair Value Through Other Comprehensive Income	6,524,766	1,480,352	2,112,327	6,654,897	490,680	1,089,867	18,352,889
Loans	74,113,598	21,372,449	45,316,413	18,565,052	3,834,801	-	163,202,313
Financial Assets Measured at Amortized Cost	6,340,107	4,017,545	3,430,828	8,299,285	2,131,950	-	24,219,715
Other Assets	-	-	-	-	-	8,563,947	8,563,947
Total Assets	95,927,080	27,648,704	52,115,296	33,839,850	6,457,431	15,271,996	231,260,357
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	3,280,103	421	-	-	-	-	3,280,524
Miscellaneous Payables	-	-	-	-	-	3,099,744	3,099,744
Marketable Securities Issued (3)	14,761,076	1,786,539	300,847	45,514,330	-	-	62,362,792
Funds Provided from Other Financial Institutions	69,836,225	16,486,753	29,468,828	7,475,505	733,278	-	124,000,589
Other Liabilities	674,558	93,156	555,208	223,099	-	36,970,687	38,516,708
Total Liabilities	88,551,962	18,366,869	30,324,883	53,212,934	733,278	40,070,431	231,260,357
Balance Sheet Long Position	7,375,118	9,281,835	21,790,413	-	5,724,153	-	44,171,519
Balance Sheet Short Position	-	-	-	(19,373,084)	-	(24,798,435)	(44,171,519)
Off-Balance Sheet Long Position	16,671,092	367,990	-	5,831,646	-	-	22,870,728
Off-Balance Sheet Short Position	-	-	(21,015,785)	-	(74,141)	-	(21,089,926)
Total Position	24,046,210	9,649,825	774,628	(13,541,438)	5,650,012	(24,798,435)	1,780,802

(1) Amounts in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other foreign resources other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, to reconcile the total assets and liabilities on the balance sheet.
(2) Expected credit losses for stage 1 and stage 2 are shown on the other assets, non-interest bearing.
(3) It also includes issued bonds that possess the characteristics of Tier 1 capital and are classified under capital-like debt instruments on the balance sheet.

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SECTION FOUR (Continued)				
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)				
IV. Explanations related to interest rate risk (Continued)				
Average interest rates applied to monetary financial instruments: %				
	Euro	US Dollar	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,00	3,00	-	-
Banks	1,91	3,82	-	36,75
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	39,66
Financial Assets at Fair Value Through Other Comprehensive Income	4,57	6,41	-	40,97
Loans	6,05	8,35	-	43,79
Financial Assets Measured at Amortized Cost	5,84	8,10	-	19,82
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,41	4,64	-	34,32
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	6,20	-	-
Borrower Funds	0,25	0,50	-	28,00
Funds Provided from Other Financial Institutions	3,57	5,27	-	33,02

(1) It also includes issued bonds that possess the characteristics of Tier 1 capital and are classified under capital-like debt instruments on the balance sheet.

SECTION FOUR (Continued)			
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)			
V. Explanations related to equity shares position risk arising from the banking book			
The Bank is exposed to equity price risk arising from its investments in companies traded on the Istanbul Stock Exchange ("BIST"). The Bank classifies its equity investments as both financial assets recognized at fair value in earnings/loss and financial assets recognized at fair value in other comprehensive income; net profit/loss is not affected as long as the equities not included in the Bank's portfolio of financial assets recognized at fair value in earnings/loss are not divested.			
The table below is a comparison table of the Bank's investments in stock exchanges, the balance sheet, the fair value and the market value for those traded on the stock exchange.			
Current Period	Comparison		
Share Certificate Investments	Book Value	Share Certificate Investments	Book Value
Investment in Shares-Grade A	4.211.073	-	4.515.115
Quoted	4.211.073	-	4.515.115
Investment in Shares-Grade B	5.463.928	-	3.533.166
Quoted	5.463.928	-	3.533.166
Prior Period	Comparison		
Share Certificate Investments	Book Value	Share Certificate Investments	Book Value
Investment in Shares-Grade A	3.262.349	-	3.306.514
Quoted	3.262.349	-	3.306.514
Investment in Shares-Grade B	4.177.984	-	3.591.348
Quoted	4.177.984	-	3.591.348

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- V. Explanations related to equity shares position risk arising from the banking book (Continued)**
- On the basis of the following table, private equity investments in sufficiently diversified portfolios, type and amount of other risks, cumulative realized gains and losses arising from selling and liquidation in the current period, total unrealized gains and losses, total revaluation increases of trading positions on stock market and their amount that included to core capital and supplementary capital are shown.

Current Period Portfolio	Realized Revenues and Losses in the Period	Revaluation Value Increases		Unrealized Gains and Losses		
		Total	Included in Core Capital (1)	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	2.973.461	2.973.461	-	-	-
Other Share Certificates	-	1.800.084	1.800.084	-	-	-
Total	-	4.773.545	4.773.545	-	-	-

(1) It refers to the amounts reflected to equity for investments in associates and subsidiaries valued according to the equity method.

Prior Period Portfolio	Realized Revenues and Losses in the Period	Revaluation Value Increases		Unrealized Gains and Losses		
		Total	Included in Core Capital (1)	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	2.413.555	2.413.555	-	-	-
Other Share Certificates	-	1.082.509	1.082.509	-	-	-
Total	-	3.496.064	3.496.064	-	-	-

(1) It refers to the amounts reflected to equity for investments in associates and subsidiaries valued according to the equity method.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- VI. Explanations related to liquidity risk management, liquidity coverage ratio and net stable funding ratio**
- 1. Explanations related to the liquidity risk**
- 1.a Information about the governance of unconsolidated liquidity risk management, including: risk tolerance, structure and responsibilities for unconsolidated liquidity risk management, internal unconsolidated liquidity reporting and communication of unconsolidated liquidity risk strategy, policies and practices across business lines and with the board of directors**

Liquidity risk management is conducted by Treasury Department in line with the strategies set by Asset and Liability Committee within the limits and policies approved by Board of Directors and is monitored and controlled through reportings from Risk Management, Budget Planning and Financial Control Departments to Audit Committee, Risk Committee, Board of Directors, Senior Management and relevant departments.

The Bank's liquidity risk capacity is determined by the Bank's internal limits and the regulations on liquidity coverage ratio and liquidity adequacy. Regarding its risk appetite, in addition to legal limits, the Bank also applies internal limits for monitoring and controlling the liquidity risk.

Considering the Bank's strategies and competitive conditions, Asset and Liability Committee have the responsibility of taking the relevant decisions regarding optimal balance sheet management of the Bank and monitoring the implementations. Treasury Department performs cash position management within the framework of the decisions taken at Asset and Liability Committee meetings.

The Risk Management Department reports to the Board of Directors and the Asset and Liability Committee regarding liquidity risk within the scope of internal limits and legal regulations. Additionally, liquidity stress tests are performed based on various scenarios and reported with their impact on legal limit utilization. Treasury Control Unit under the Budget Planning Department also makes cash flow projection reporting to the Treasury Department and the Asset Liability Committee at certain periods and when needed.

- 1.b Information on the centralization degree of unconsolidated liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries**
- Within the scope of consolidation, liquidity management is not centralized and each subsidiary is responsible for its own liquidity management. However, the Bank monitors the liquidity risk of each subsidiary within the defined limits.
- 1.c Information on the Bank's funding strategy including the policies on funding types and variety of maturities**

Among the main funding sources of the Bank, there are development bank credits, capital market transactions, syndicated loans, bilateral contractual resources, repo transactions and money market transactions and these sources are diversified to minimize the liquidity risk within the terms of market conditions. The funding planning based on those loans is performed long term such as a minimum of one year and the performance is monitored by the Asset and Liability Committee.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)**
- 1. Explanations related to the liquidity risk (Continued)**
- 1.ç Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities:**
- The Bank's obligations consist of Turkish Lira (TL), US Dollar (USD) and Euro (EUR) currency types. Turkish Lira obligations mainly consist of equity and repurchase agreements, whereas foreign currency obligations consist of foreign currency credits, securities issued and repurchase agreements. All loans provided from foreign sources are in foreign currencies. For this reason, foreign resources can be used in TL funding by currency swap transactions when necessary.
- 1.d Information on unconsolidated liquidity risk mitigation techniques**

Unconsolidated Liquidity limits are defined for the purpose of monitoring and keeping the risk under certain levels. The Bank monitors those limits' utilization and informs the Board of Directors, the Bank Senior Management and the relevant departments regularly. Regarding those limits, the Treasury Department performs the required transactions with the relevant cost and term composition in accordance with market conditions from the sources previously defined in Article c. The Bank minimizes the liquidity risk by holding high quality liquid assets and diversification of funds.

- 1.e Information on the use of stress tests**

Within the scope of liquidity stress tests, the deteriorations that may occur in the cash flow structure of the Bank are assessed by the Bank's scenarios. The results are analyzed by taking into account the risk appetite and capacity of the Bank and reported to the senior management by the Risk Management Department ensuring the necessary actions are taken.

- 1.f General information on urgent and unexpected unconsolidated liquidity situation plans**

There is a Contingency Funding Plan for the contingent periods that arise beyond the Bank's control. In a potential liquidity shortfall, Treasury Department is responsible for assessment, taking relevant actions and informing Asset and Liability Committee. In contingent cases, to identify the liquidity risk arising, cash flow projections and funding requirement estimations are exercised based on various scenarios. To assess the stress scenarios, cash flow in terms of local currency is monitored regularly by Treasury Department. Scenario analysis of the Bank's unencumbered sources are conducted daily. Transaction limits for organized markets are monitored timely and essential collateral amount to trade in those markets is withheld at hand. Repo transactions and/or available for sale portfolio securities in local and foreign currency that are major funding sources in shortfall periods for the Bank are monitored consistently. In contingent periods outflows due to the irrevocable commitments, contingencies and derivative transactions can be deferred temporarily in a way that won't hurt the Bank's reputation. TSKB has the optionality of choosing one or more of the following for meeting its liquidity requirements, selling liquid assets off, increasing short term borrowing, decreasing illiquid assets, increasing capital.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)**
- 2. Liquidity Coverage Ratio**
- According to regulations which is published on 28948 numbered gazette on March 21, 2014 related to calculation of liquidity coverage ratio of banks, calculated liquidity coverage ratios are shown below. Including the reporting period for the last three months unconsolidated foreign currency and total liquidity coverage ratios and the lowest and highest values during the period are shown below:

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
Lowest	455,87	251,47	312,68	272,34
Related Week	19/12/2025	19/12/2025	27/12/2024	27/12/2024
Highest	1383,39	1014,02	886,00	612,13
Related Week	14/11/2025	07/11/2025	20/12/2024	13/12/2024

Current Period	Total Value Before Application of the Consideration Rate		Total Value After Application of the Consideration Rate	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets	-	-	34.865.711	19.863.601
CASH OUTFLOWS				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business, Customers Deposits	11.049.024	10.000.641	9.801.125	8.858.778
6 Operational deposits	785.796	650.251	196.449	162.563
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	10.263.228	9.350.390	9.604.676	8.696.215
9 Secured funding	-	-	-	-
10 Other Cash Outflows	830.149	656.996	830.149	656.996
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	830.149	656.996	830.149	656.996
12 Debts related to structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	55.651.012	49.713.955	5.211.295	4.225.642
16 TOTAL CASH OUTFLOWS	-	-	15.842.569	13.741.416
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	24.708.795	14.684.280	21.966.503	12.322.421
19 Other contractual cash inflows	348.293	13.895.055	348.293	13.895.055
20 TOTAL CASH INFLOWS	25.057.088	28.579.335	22.314.796	26.217.476
Upper Limit Applied Values				
21 TOTAL HQLA STOCK	-	-	34.865.711	19.863.601
22 TOTAL NET CASH OUTFLOWS	-	-	3.960.642	3.435.354
23 LIQUIDITY COVERAGE RATIO (%)	-	-	880	578

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)

2. Liquidity Coverage Ratio (Continued)

Prior Period	Total Value Before Application of the Consideration Rate		Total Value After Application of the Consideration Rate	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets	-	-	25.964.543	14.680.429
CASH OUTFLOWS				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business Customers Deposits	12.460.144	10.198.081	10.922.938	8.737.229
6 Operational deposits	637.878	565.489	159.470	141.372
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	11.822.266	9.632.592	10.763.468	8.595.857
9 Secured funding	-	-	-	-
10 Other Cash Outflows	637.961	1.045.651	637.961	1.045.651
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	544.433	952.123	544.433	952.123
12 Debts related to structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	93.528	93.528	93.528	93.528
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	38.351.873	30.706.556	4.089.432	2.790.167
16 TOTAL CASH OUTFLOWS	-	-	15.650.331	12.573.047
CASH INFLOWS				
17 Secured Lending Transactions	2.201	-	-	-
18 Unsecured Lending Transactions	16.203.833	13.834.562	12.727.641	10.574.570
19 Other contractual cash inflows	947.319	6.514.017	947.319	6.514.017
20 TOTAL CASH INFLOWS	17.153.353	20.348.579	13.674.960	17.088.587
Upper Limit Applied Values				
21 TOTAL HQLA STOCK	-	-	25.964.543	14.680.429
22 TOTAL NET CASH OUTFLOWS	-	-	3.912.583	3.143.262
23 LIQUIDITY COVERAGE RATIO (%)	-	-	664	467

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)

3. Minimum explanations related to the liquidity coverage ratio by Banks:

As per The Regulation on The Calculation of Liquidity Coverage Ratio, Liquidity Coverage Ratio is the ratio of high-quality liquid assets to net cash outflows. Total and foreign currency limits of 100% and 80% are assigned on consolidated and unconsolidated basis respectively. For the development and investment banks, Banking Regulations and Supervision Agency decided to apply zero percent to the total and foreign currency consolidated and unconsolidated liquidity coverage ratios unless stated otherwise.

In the Liquidity Coverage Ratio calculation, the items with the highest impact are high quality liquid assets, foreign funds and money market transactions. High quality liquid assets mainly consist of the required reserves held in the Central Bank of the Republic of Turkey and unencumbered securities issued by the Treasury.

Main funding source of the Bank is long term loans attained from international financial institutions. The ratio of those loans in total funding is around 61%. The total ratio of the securities issued in purpose of funding diversification and loans attained through subordinated loans and syndication loans in overall borrowing is 34%. 5% of the Bank's total funding is provided from the repo money markets.

30-day cash flows arising from derivative transactions are included in the calculation in accordance with the Regulation. The Bank also takes into consideration the liabilities depending on the possibility of changing the fair values of the derivative transactions in accordance with the Regulation.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)(2)	Total (2)
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	5.703.137	-	-	-	-	-	5.703.137
Banks	1.055.280	7.386.636	-	-	-	-	-	8.441.916
Financial Assets at Fair Value Through Profit and Loss	-	1.274.811	38.588	557.850	16.227	-	2.889.495	4.776.971
Money Market Placements	-	5.748.232	3.231.935	835.291	-	-	-	9.815.458
Financial Assets at Fair Value Through Other Comprehensive Income	-	246.950	1.967.540	3.362.004	15.848.434	3.773.536	1.513.005	26.711.469
Loans	-	9.538.790	14.762.004	45.987.597	130.350.757	31.007.121	-	231.646.269
Financial Assets Measured at Amortized Cost	-	-	-	-	18.241.524	9.138.924	-	27.380.448
Other Assets (2)	-	-	-	-	-	-	12.181.181	12.181.181
Total Assets	1.055.280	29.898.556	20.000.067	50.742.742	164.456.942	43.919.581	16.583.681	326.656.849
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	6.747.644	4.619.286	26.398.777	70.352.727	85.499.931	-	193.618.365
Money Market Borrowings	-	3.568.019	2.464.716	-	-	-	-	6.032.735
Marketable Securities Issued (3)	-	17.211.079	341.830	818.764	55.364.667	-	-	73.736.340
Miscellaneous Payables	-	-	-	-	-	-	1.980.740	1.980.740
Other Liabilities	-	790.667	193.629	853.184	124.501	-	49.326.688	51.288.669
Total Liabilities	-	28.317.409	7.619.461	28.070.725	125.841.895	85.499.931	51.307.428	326.656.849
Liquidity Gap	1.055.280	1.581.147	12.380.606	22.672.017	38.615.047	(41.580.350)	(34.723.747)	-
Net Off-balance sheet Position	-	(267.707)	(160.743)	34.696	119.407	(12.026)	-	(286.373)
Financial Derivative Assets	-	37.246.835	11.513.268	15.355.354	59.978.816	5.037.534	-	129.131.807
Financial Derivative Liabilities	-	37.514.542	11.674.011	15.320.658	59.859.409	5.049.560	-	129.418.180
Non-cash Loans	-	250.383	686.673	11.151.382	5.775.742	13.272.366	2.966.371	34.102.917
Prior Period								
Total Assets	1.361.227	18.319.907	11.354.996	42.476.842	110.485.811	36.223.885	11.037.689	231.260.357
Total Liabilities	-	19.341.917	5.002.874	23.398.549	87.786.988	55.747.228	39.982.801	231.260.357
Liquidity Gap	1.361.227	(1.022.010)	6.352.122	19.078.293	22.698.823	(19.523.343)	(28.945.112)	-
Net Off-balance sheet Position	-	739.665	216.047	115.452	716.524	(6.886)	-	1.780.802
Financial Derivative Assets	-	28.639.066	7.606.176	14.631.450	37.904.292	4.817.848	-	93.598.832
Financial Derivative Liabilities	-	27.899.401	7.390.129	14.515.998	37.187.768	4.824.734	-	91.818.030
Non-cash Loans	-	803.618	3.927.079	7.341.596	2.175.410	6.263.934	1.083.703	21.595.340

(1) Other active and foreign resources that are required for the continuation of banking activities, such as tangible and intangible assets, affiliates and subsidiaries, deferred tax assets, in-kind assets, prepaid expenses and receivables under follow-up, total equity, provisions, tax liabilities, etc., are shown in the "Undistributed" column.
(2) Expected credit losses for stage 1 and stage 2 are shown on the other assets, undistributed.
(3) It also includes issued bonds that possess the characteristics of Tier 1 capital and are classified under capital-like debt instruments on the balance sheet.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)

Analysis of financial liabilities by remaining contractual maturities

In compliance with the Turkish Financial Reporting Standard No.7, the following table indicates the maturities of the Bank's major financial liabilities which are not qualified as derivatives. The following tables have been prepared by referencing the earliest dates of undiscounted cashflow of financial liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	6.799.758	5.183.520	32.231.356	93.177.383	107.593.353	(51.367.005)	193.618.365
Money Market Borrowings	3.656.279	2.584.763	-	-	-	(208.307)	6.032.735
Marketable Securities Issued	17.274.749	624.037	3.438.999	68.588.328	-	(16.189.773)	73.736.340
Funds	1.010.220	-	-	-	-	-	1.010.220
Leasing Liabilities	20.625	19.815	89.313	123.159	-	(59.236)	193.676
Total	28.761.631	8.412.135	35.759.668	161.888.870	107.593.353	(67.824.321)	274.591.336

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	592.872	3.475.712	27.058.141	59.324.006	73.596.491	(40.046.633)	124.000.589
Money Market Borrowings	3.285.151	460	-	-	-	(5.087)	3.280.524
Marketable Securities Issued	14.807.925	2,029.916	2,734.196	55,993.845	-	(13,203.090)	62,362.792
Funds	683.899	-	-	-	-	-	683.899
Leasing Liabilities	15.665	19.014	84.847	230.681	-	(102.452)	247.755
Total	19,385,512	5,525,102	29,877,184	115,548,532	73,596,491	(53,357,262)	190,575,559

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Swap Contracts	73.270.945	22.649.850	13.144.158	115.215.396	10.087.094	234.367.443
Forward Contracts	568.976	409.005	16.962.128	4.622.829	-	22.562.938
Futures Transactions	-	-	-	-	-	-
Options	921.456	128.424	569.726	-	-	1.619.606
Other	-	-	-	-	-	-
Total	74.761.377	23.187.279	30.676.012	119.838.225	10.087.094	258.549.987

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Year	Total
Swap Contracts	55.888.830	14.922.202	28.920.872	75.092.060	9.642.582	184.466.546
Forward Contracts	610.467	74.103	226.576	-	-	911.146
Futures Transactions	-	-	-	-	-	-
Options	39.170	-	-	-	-	39.170
Other	-	-	-	-	-	-
Total	56,538,467	14,996,305	29,147,448	75,092,060	9,642,582	185,416,862

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)
4. Net stable funds ratio

Pursuant to the “Regulation on the Calculation of Banks’ Net Stable Funding Ratio” published in the Official Gazette dated May 26, 2023 and numbered 32202, the procedures and principles have been determined to ensure that banks provide stable funding in order to prevent the deterioration of their liquidity levels due to the funding risk that they may be exposed to on a consolidated and non-consolidated basis in the long-term.

The net stable funding ratio is calculated on a consolidated and non-consolidated basis by dividing the current stable fund amount by the required stable fund amount. The current stable fund represents the part of banks’ liabilities and equity capital that is expected to be permanent; the required stable fund represents the part of banks’ on-balance sheet assets and off-balance sheet liabilities that are expected to be refunded. The current stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration rates to the amounts of banks’ liabilities and equity elements valued in accordance with TFRS. The required stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the value calculated by deducting the special provisions set aside in accordance with the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside from the amounts of the banks’ on-balance sheet assets valued in accordance with TFRS and off-balance sheet liabilities.

The three-month simple arithmetic average of the consolidated and non-consolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than one hundred percent as of the March, June, September and December periods.

Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board. The three-month simple arithmetic average of the net stable funding ratios for the last three months including the reporting period is calculated as 133,69%, and the three-month simple arithmetic average for the previous period is calculated as 127,00%.

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)
4. Net stable funds ratio

Current Period	a	b	c	d	e
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Demand	Less than 6 Months Term	6 Months to More than 6 Months and Less than 1 Year Term	1 Year and Longer Term	
Total Amount Applied to Consideration Rate					
1 Equity Items	49.557.126	-	-	12.800.760	62.357.886
2 Core capital and supplementary capital	49.557.126	-	-	12.800.760	62.357.886
3 Other Equity Items	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Less stable deposits /participation fund	-	-	-	-	-
7 Debts to other persons	1.010.220	43.528.156	18.376.113	198.534.165	211.781.817
8 Operational deposit/participation fund	1.010.220	-	-	-	505.110
9 Other debts	-	43.528.156	18.376.113	198.534.165	211.276.707
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other liabilities	2.897.759	3.256.788	-	-	-
12 Derivative liabilities	-	-	-	842.705	-
13 Other equity items and liabilities Not included above	2.897.759	2.414.083	-	-	-
14 Current Stable Fund					274.139.703
Stable Fund Required					
15 High quality liquid assets	-	-	-	-	10.040.184
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	82.455	57.235.592	29.400.017	160.967.318	171.445.245
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	26.169.804	3.120.526	6.931.256	12.416.990
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	30.938.213	26.100.621	153.934.973	158.719.020
21 Receivables subject to a risk weight of 35% or less	-	-	-	3.225.622	2.096.654
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	82.455	127.575	178.870	101.089	309.235
25 Assets equivalent to interdependent liabilities	-	-	-	-	-
26 Other assets	22.860.662	2.322.244	-	-	25.085.439
27 Physically delivered commodities including gold	-	-	-	-	-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty	-	-	649.782	-	552.315
29 Derivative assets	-	-	47.430	-	47.430
30 Amount of derivative liabilities before deducting the variation margin	-	-	148.763	-	148.763
31 Other assets not listed above	22.860.662	1.476.269	-	-	24.336.931
32 Off-balance sheet liabilities	-	6.024.250	6.866.031	44.521.300	2.870.579
33 Stable Fund Required					209.441.447
34 Net Stable Funding Rate (%)					130,89

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)
4. Net stable funds ratio

Prior Period	a	b	c	d	e
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Demand	Less than 6 Months Term	Demand	Less than 6 Months Term	
Total Amount Applied to Consideration Rate					
1 Equity Items	34.733.929	-	-	10.519.950	45.253.879
2 Core capital and supplementary capital	34.733.929	-	-	10.519.950	45.253.879
3 Other Equity Items	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Less stable deposits /participation fund	-	-	-	-	-
7 Debts to other persons	683.899	32.928.355	13.139.396	133.022.870	145.814.899
8 Operational deposit/participation fund	683.899	-	-	-	341.950
9 Other debts	-	32.928.355	13.139.396	133.022.870	145.472.949
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other liabilities	4.307.772	1.121.633	-	-	-
12 Derivative liabilities	-	-	-	698.546	-
13 Other equity items and liabilities Not included above	4.307.772	423.087	-	-	-
14 Current Stable Fund					191.068.778
Stable Fund Required					
15 High quality liquid assets	-	-	-	-	11.757.090
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	80.417	38.317.989	23.351.297	110.930.850	119.082.928
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	16.332.676	3.421.530	3.174.417	7.335.083
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	21.655.191	19.924.695	107.445.234	111.280.966
21 Receivables subject to a risk weight of 35% or less	-	-	-	4.187.132	2.721.636
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	80.417	330.122	5.072	311.199	466.879
25 Assets equivalent to interdependent liabilities	-	-	-	-	-
26 Other assets	15.781.080	981.776	-	-	16.701.688
27 Physically delivered commodities including gold	-	-	-	-	-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty	-	-	407.787	-	346.619
29 Derivative assets	-	-	42.398	-	42.398
30 Amount of derivative liabilities before deducting the variation margin	-	-	73.887	-	73.887
31 Other assets not listed above	15.781.080	457.704	-	-	16.238.784
32 Off-balance sheet liabilities	-	10.818.337	3.367.556	18.015.448	1.610.067
33 Stable Fund Required					149.151.773
34 Net Stable Funding Rate (%)					128,10

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to leverage ratio
a) Information on subjects that cause difference in leverage ratio between current and prior period

The table related to calculation of leverage ratio in accordance with the principles of the “Regulation on Measurement and Evaluation of Banks’ Leverage Level” which is published on the Official Gazette no.28812 dated November 5, 2013 is given below.

As of the Bank’s balance sheet date, the leverage ratio, calculated on the basis of the arithmetic average of the values found at the end of the month in the past three months, was 15,28% (December 31, 2024: 15,91%). The amount of assets on the balance sheet increased by 41,74% compared to the previous period.

b) Leverage Ratio

	Current Period (1)	Prior Period (1)
Balance sheet Assets		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	320.883.627	226.387.749
2 (Assets deducted from Core Capital)	(1.741.117)	(1.127.959)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	319.142.510	225.259.790
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	215.811	173.100
5 Potential credit risk amount of derivative financial assets and credit derivatives	1.400.254	826.419
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	1.616.065	999.519
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity	3.044.938	1.523.553
8 Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.044.938	1.523.553
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	59.193.737	38.899.158
11 (Correction amount due to multiplication with credit conversion rates)	(18.943.134)	(10.738.272)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	40.250.603	28.160.886
Capital and total risk		
13 Core Capital	55.613.477	40.712.041
14 Total risk amount (sum of lines 3, 6, 9 and 12)	364.054.116	255.943.748
Leverage ratio		
15 Leverage ratio	15,28%	15,91%

(1) The arithmetic average for the last three months in the related periods in accordance with BRSA Regulations

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value

The table below shows the carrying and fair values of the financial assets and liabilities in the financial statements of the Bank.

	Book Value Current Period	Fair Value Current Period
Financial Assets	308.229.037	303.457.071
Money Market Placements	9.815.458	9.815.458
Banks	8.441.916	8.441.916
Financial Assets at Fair Value Through Other Comprehensive Income	26.711.469	26.711.469
Financial asset measured at amortized cost	27.380.448	26.751.198
Loans (1)	235.879.746	231.737.030
Financial Liabilities	277.193.938	274.918.054
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided from Other Financial Institutions (2)	200.661.320	200.661.320
Marketable Securities Issued (3)	73.736.340	71.460.456
Miscellaneous Payables	2.796.278	2.796.278

(1) Loans include financial lease receivables.
(2) Funds provided from other financial institutions include loans received, additional subordinated loans classified under subordinated loans, detached funds and debts to money markets.
(3) The issued securities include bonds with additional subordinated capital credit characteristics, which are classified under subordinated capital credits.

	Book Value Prior Period	Fair Value Prior Period
Financial Assets	218.589.981	214.029.323
Money Market Placements	1.923.891	1.923.891
Banks	7.675.862	7.675.862
Available-For-Sale Financial Assets	18.352.889	18.352.889
Held-To-Maturity Investments	24.219.715	23.405.835
Loans (1)	166.417.624	162.670.846
Financial Liabilities	194.496.795	193.024.683
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided from Other Financial Institutions (2)	127.965.012	127.965.012
Marketable Securities Issued (3)	62.362.792	60.890.680
Miscellaneous Payables	4.168.991	4.168.991

(1) Financial lease receivables are also included in the loans granted.
(2) Funds obtained from other financial institutions include loans received, additional subordinated loans classified under subordinated loans, detached funds and debts to money markets.
(3) The issued securities include bonds with additional subordinated capital credit characteristics, which are classified under subordinated capital credits.

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

The methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

- i- For the fair value calculation of loans, the prevailing interest rates as of the reporting date were used.
- ii- For the fair value calculation of the balances with banks, the prevailing interest rates as of the reporting date were used.
- iii- For the fair value calculation of held-to-maturity investments, quoted prices as of the reporting date were used.
- iv- For the fair value calculation of marketable securities issued, market prices as of the reporting date were used.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involve the use of non-observable inputs.

The table below analyses financial instruments carried at fair value, by valuation method.

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).
- c) Inputs for the asset or liability that are not based on observable market data (Level 3).

Current Period	Level I	Level II	Level III
Financial Assets			
Financial Assets at Fair Value Through Profit or Loss	2.889.495	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	18.377.697	6.903.223	1.409.240
Loans at Fair Value Through Profit or Loss	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.671.708	-
Derivative Financial Assets for Hedging Purposes (2)	-	215.768	-
Financial Liabilities			
Derivative Financial Liabilities Held-for-trading (3)	-	1.099.998	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	561.921	-

(1) Securities amounting to TL 21.309 under Financial Assets at Fair Value Through Other Comprehensive Income are reflected in the financial statements at their acquisition cost since they are not traded in an active market and these securities are not shown in this table.
(2) Positive differences from Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss "line in the balance sheet.
(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss "line in the balance sheet.

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (Continued)

Prior Period	Level I	Level II	Level III
Financial Assets			
Financial Assets at Fair Value Through Profit or Loss	1.383.876	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	11.691.435	5.652.004	989.508
Loans at Fair Value Through Profit or Loss	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.938.032	-
Derivative Financial Assets for Hedging Purposes (2)	-	1.119.407	-
Financial Liabilities			
Derivative Financial Liabilities Held-for-trading (3)	-	880.418	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	417.848	-

(1) Securities amounting to TL 19.941 under Financial Assets at Fair Value Through Other Comprehensive Income are reflected in the financial statements at their acquisition cost since they are not traded in an active market and these securities are not shown in this table.
(2) Positive differences from Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss "line in the balance sheet.
(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss "line in the balance sheet.

The statement of movement of financial assets at level 3 is given below.

	Current Period	Prior Period
Balance at Beginning of Period	97.732	3.191
Purchases	-	-
Redemption and sale	-	-
Valuation Differences	99.426	94.541
Transfers	-	-
Period end balance	197.158	97.732

The real estate recorded by the Bank under tangible assets at fair value is classified at level 2.

IX. Explanations related to transactions made on behalf of others and fiduciary transactions

The Bank provides management and consultancy services in financial matters such as buying, selling, storing, financial matters on behalf and on behalf of others. There is no faith-based transaction by the bank.

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management

Linkages between financial statements and risk amounts

The footnotes prepared in accordance with the "Regulation on Calculation Risk Management Disclosures", which was published in the Official Gazette No. 29511 of October 23, 2015 and entered into force as of March 31, 2016, and the disclosures pertaining thereto are provided in this section.

As the standard approach is utilized for the calculation of the capital adequacy of the Bank, no statement has been included as regards the methods based on internal models as per the relevant communiqué.

Disclosures on the risk management approach and risk-weighted amount

Risk management approach of the Bank allows for ensuring the establishment of a common risk culture covering the entire institution within the scope of the policies and codes of practice designated by the Board of Directors, for identifying risks in harmony with international arrangements and for performing the activities of measurement, analysis, monitoring and reporting accordingly.

Risk Management Department has been established within the Bank in order to ensure compliance with the relevant policy, application principles and processes and to manage the risks faced by the Bank in line with these policies. The Risk Management Department, whose duties and responsibilities have been determined by regulations approved by the Board of Directors, carries out its activities independently from executive activities and executive units and under the Audit Committee. However, the Risk Committee has been established and meets regularly to assess the risks to which the Bank is exposed, to establish risk management policies and submit them for approval by the Board of Directors, to determine risk management practices and risk limits and submit them for approval by the Board of Directors, to monitor, to ensure coordination between the Bank's executive units and internal systems.

Risk Management Department develops the systems required within the process of risk management and carries out the relevant activities, monitors the compliance of risks with policies, standards, limits of the Bank and its risk appetite indicators and performs activities aimed at harmonization with the relevant legislation and the Basel criteria. Risk measurements are performed through the standard approaches for legal reporting, and the advanced approaches are utilized internally. It is also supported by stress tests applied.

Risk Management Department submits its detailed risk management reports prepared on monthly and quarterly basis to the Board of Directors via the Audit Committee. These reports cover measurements regarding main risks, stress tests and scenario analyses and the status of compliance with the identified limit levels and risk appetite indicators.

Prospective risk assessments are carried out by conducting periodical stress tests on loan, market, interest and liquidity risks and the impact of results on the overall financial power of the Bank is evaluated. The relevant results are notified to the Audit Committee and contribute to the assessment of the financial structure of the Bank during the moment of stress. Stress test scenarios are determined by evaluating the impacts posed by previous economic crises on macroeconomic indicators and expectations from the upcoming period. By estimating the risks and capital position of the Bank within the upcoming period, various analyses are performed in terms of legal and internal capital adequacy ratios, and the ICAAP (Internal Capital Adequacy Assessment Process) report is submitted to the BRSA.

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)
X. Explanations related to risk management (Continued)

Overview of risk weighted assets

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk)	196.662.498	137.511.212	15.733.000
2	Standardized approach	196.662.498	137.511.212	15.733.000
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2.106.016	1.373.221	168.481
5	Standardized approach for counterparty credit risk	2.106.016	1.373.221	168.481
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models' equity position in the banking account	-	-	-
8	Investments made in collective investment companies look-through approach	-	-	-
9	Investments made in collective investment companies mandate-based approach	-	-	-
10	Investments made in collective investment companies 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	Simplified supervisory formula approach	-	-	-
16	Market risk	2.192.838	1.510.425	175.427
17	Standardized approach	2.192.838	1.510.425	175.427
18	Internal model approaches	-	-	-
19	Operational risk	21.062.859	14.736.765	1.685.029
20	Basic indicator approach	21.062.859	14.736.765	1.685.029
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	11.437.233	8.155.088	914.979
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	233.461.444	163.286.711	18.676.916

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)
X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between asset and liabilities’ carrying values in financial statements and amounts 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				
Assets		Subject to credit risk	Subject to counterparty credit risk	Securitization Position	Subject to market risk (1)	Not subject to capital requirements or subject to deduction from capital
Cash and balances at Central Bank	5.697.491	5.703.137	-	-	-	-
Banks	8.441.272	7.854.865	1.271.623	-	-	-
Money Market Placements	9.814.519	9.815.458	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	2.889.495	2.859.863	-	-	29.633	-
Financial Assets at Fair Value Through Other Comprehensive Income r	26.711.469	26.711.469	2.087.808	-	-	-
Financial Assets Measured at Amortized Cost	27.361.109	27.380.448	13.020.788	-	-	-
Derivative Financial Assets	1.887.476	-	1.887.476	-	882.790	-
Loans	224.295.301	234.731.008	-	-	-	-
Leasing Receivables	990.069	1.148.738	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Associates (net)	5.508.367	5.508.367	-	-	-	1.220.730
Subsidiaries (net)	7.284.836	7.284.836	-	-	-	-
Joint-Ventures (net)	-	-	-	-	-	-
Tangible Assets (net)	697.226	690.127	-	-	-	7.099
Intangible Assets (net)	21.008	-	-	-	-	21.008
Investment Properties (net)	-	-	-	-	-	-
Tax Assets	-	-	-	-	-	-
Deferred Tax Assets	597.415	597.415	-	-	-	-
Other Assets	4.459.796	3.113.599	1.357.881	-	-	8.814
Total Assets	326.656.849	333.399.330	19.625.576	-	912.423	1.257.651

(1) The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks in accordance with the TAS are include

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between asset and liabilities’ carrying values in financial statements and amounts in capital adequacy calculation

Current Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standard				
		Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (1)	Not subject to capital requirements or subject to deduction from capital
Liabilities						
Deposits	-	-	-	-	-	-
Funds Borrowed	193.618.365	-	6.275.374	-	-	187.342.991
Money Market Funds	6.032.735	-	6.032.735	-	-	-
Securities Issued	60.593.749	-	-	-	-	60.593.749
Funds	1.010.220	-	-	-	-	1.010.220
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	1.661.919	-	844.297	-	740.816	102.019
Factoring Payables	-	-	-	-	-	-
Lease Payables	193.676	-	-	-	-	193.676
Provisions	1.611.844	-	-	-	-	1.611.844
Current Tax Liability	344.529	-	-	-	-	344.529
Deferred tax Liability	-	-	-	-	-	-
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Subordinated Debts	13.142.591	-	-	-	-	13.142.591
Other Liabilities	2.796.278	-	1.658.726	-	-	1.137.552
Shareholders’ Equity	45.650.943	-	-	-	-	45.650.943
Total Liabilities	326.656.849	-	14.811.132	-	740.816	311.130.114

(1) The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks in accordance with the TAS are included.

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between asset and liabilities’ carrying values in financial statements and amounts in capital adequacy calculation

Prior Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (1)	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances at Central Bank	2.877.323	2.880.425	-	-	-	-
Banks	7.675.602	7.325.594	390.595	-	-	-
Money Market Placements	1.923.483	1.923.891	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	1.383.876	1.358.675	-	-	25.201	-
Financial Assets at Fair Value Through Other Comprehensive Income	18.352.889	18.352.889	1.985.056	-	-	-
Financial Assets Measured at Amortized Cost	24.199.515	24.219.715	3.702.276	-	-	-
Derivative Financial Assets	3.057.439	-	3.057.439	-	730.689	-
Loans	158.090.684	166.000.070	-	-	-	-
Leasing Receivables	299.705	417.552	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Associates (net)	4.201.492	4.201.492	-	-	-	1.127.748
Subsidiaries (net)	5.219.274	5.219.274	-	-	-	-
Joint-Ventures (net)	-	-	-	-	-	-
Tangible Assets (net)	572.644	567.081	-	-	-	5.563
Intangible Assets (net)	5.985	-	-	-	-	5.985
Investment Properties (net)	-	-	-	-	-	-
Tax Assets	-	-	-	-	-	-
Deferred Tax Assets	265.107	265.107	-	-	-	-
Other Assets	3.135.339	2.130.639	1.020.148	-	-	-
Total Assets	231.260.357	234.862.404	10.155.514	-	755.890	1.139.296

(1) The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks in accordance with the TAS are included

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between asset and liabilities’ carrying values in financial statements and amounts in capital adequacy calculation

Prior Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (1)	Not subject to capital requirements or subject to deduction from capital
Liabilities						
Deposits	-	-	-	-	-	-
Funds Borrowed	124.000.589	-	717.434	-	-	123.283.155
Money Market Funds	3.280.524	-	3.280.524	-	-	-
Securities Issued	51.561.928	-	-	-	-	51.561.928
Funds	683.899	-	-	-	-	683.899
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	1.298.266	-	617.723	-	612.694	74.905
Factoring Payables	-	-	-	-	-	-
Lease Payables	247.755	-	-	-	-	247.755
Provisions	2.369.987	-	-	-	-	2.369.987
Current Tax Liability	368.765	-	-	-	-	368.765
Deferred Tax Liability	-	-	-	-	-	-
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Subordinated Debts	10.800.864	-	-	-	-	10.800.864
Other Liabilities	4.168.991	-	2.517.413	-	-	1.651.578
Shareholders’ Equity	32.478.789	-	-	-	-	32.478.789
Total Liabilities	231.260.357	-	7.133.094	-	612.694	223.521.625

(1) The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" has been included..

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit Risk	Securitization Positions	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of regulatory consolidation (1)	326.656.849	333.399.330	-	19.625.576	912.423
2	Liabilities carrying value amount under regulatory scope of consolidation (1)	326.656.849	-	-	14.811.132	740.816
3	Total net amount		333.399.330	-	4.814.444	171.607
4	Off-balance sheet amounts r	320.791.086	27.383.282	-	993.296	-
5	Differences due to prudential filters	-	(81.329.350)	-	(1.349.352)	2.021.231
6	Risk Amounts	-	279.453.262	-	4.458.388	2.192.838

(1) The differences between the values of the assets and liabilities included in the financial statement values and the capital adequacy calculation and the amounts in the matching table.

	Prior Period	Total	Credit Risk	Securitization Position	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of regulatory consolidation (1)	231.260.357	234.862.404	-	10.155.514	755.890
2	Liabilities carrying value amount under regulatory scope of consolidation (1)	231.260.357	-	-	7.133.094	612.694
3	Total net amount		234.862.404	-	3.022.420	143.196
4	Off-balance sheet amounts	218.466.504	15.241.820	-	556.530	-
5	Differences due to prudential filters	-	(53.220.055)	-	(734.211)	1.367.229
6	Risk Amounts	-	196.884.169	-	2.844.739	1.510.425

(1) The differences between the values of the assets and liabilities included in the financial statement values and the capital adequacy calculation and the amounts in the matching table.

Difference between the amounts of assets within the scope of legal consolidation as valued in accordance with TAS and credit risk exposures results from the transactions which are not subject to credit risk. Difference between off-balance sheet exposures and credit risk exposures results from the application of credit conversion factors to off-balance sheet exposures in line with the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks.

The Bank considers the prudent valuation principles and principles in Annex-3 annexed to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks for all positions in trading or banking accounts to be considered in the measurement of capital adequacy with its fair value. The Bank uses the valuation method with market value as much as possible and the valuation methods are included in detail in the third section of the report under heading VII. Explanations for Financial Instruments in the Accounting Policies section of the report.

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk

General qualitative information on credit risk

Credit risk is the possibility of incurring losses due to fulfilling the credit customer or the counterparty, with whom the Bank has made an agreement with, does not fulfill its obligations appropriately or is not able to meet these obligations. While the largest and most visible source of credit risk consists of the loans extended by the bank, other assets included in balance sheets, non-cash loans and commitments are also taken into consideration within the scope of credit risk.

Credit risk is measured and managed in accordance with the Credit Risk Policies developed within the scope of the Risk Management Policies of the Bank. In this sense, the structure and characteristics of a loan, the provisions of loan agreements and financial conditions, structure of the risk profile until the end of maturity in parallel with potential market trends, guarantees and collaterals, internal risk ratings and potential changes with regard to the ratings in the process of risk exposure and concentrations (a single company, a group of affiliated companies, sector, country etc.) are taken into consideration. Compliance with the limits and risk appetite levels determined by the Board of Directors is monitored. Credit risk is managed by loan allocation and loan monitoring units in the Bank. Creditworthiness of loan customers is monitored and reviewed on a regular basis. Credit limits are set by the Board of Directors, the credit committee of the bank and the loan management. The Bank receives enough collateral in return for the loans extended thereby and its other receivables.

Credit risk is measured, monitored and reported by the Risk Management Department. Concentrations in the loan portfolio, loan quality of the portfolio, collateral structure, measurements concerning capital adequacy, stress tests and scenario analyses and the level of compliance with limits are regularly reported to the Board of Directors and the senior management.

Credit quality of assets

	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values (a+b+c)
Current Period	Defaulted (a)	Non-defaulted (b)	(c)	(d)
1 Loans	5.709.746	279.682.527	10.622.105	274.770.168
2 Debt Securities	-	52.645.957	67.044	52.578.913
3 Off-balance sheet	21.105	62.372.720	152.726	62.241.099
4 Total	5.730.851	394.701.204	10.841.875	389.590.180

	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values (a+b-c)
Prior Period	Defaulted (a)	Non-defaulted (b)	(c)	(d)
1 Loans	3.673.015	196.625.353	8.046.452	192.251.916
2 Debt Securities	-	41.604.901	122.163	41.482.738
3 Off-balance sheet	8.306	33.158.907	117.571	33.049.642
4 Total	3.681.321	271.389.161	8.286.186	266.784.296

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Changes in stock of default loans and debt securities

	Current Period	Balance
1	Defaulted loans and debt securities at end of the previous reporting period	3.681.321
2	Loans and debt securities that have defaulted since the last reporting period	3.860.855
3	Receivables back to non-defaulted status	-
4	Amounts written off	-
5	Other changes (1)	(1.811.325)
6	Defaulted loans and debt securities at end of the reporting period (1+2+3+4+5)	5.730.851

	Prior Period	Balance
1	Defaulted loans and debt securities at end of the previous reporting period	4.204.913
2	Loans and debt securities that have defaulted since the last reporting period	269.571
3	Receivables back to non-defaulted status	-
4	Amounts written off	-
5	Other changes (1)	(793.163)
6	Defaulted loans and debt securities at end of the reporting period (1+2+3+4+5)	3.681.321

(1) Includes collections from defaulted receivables during the period.

Additional disclosure related to the credit quality of assets

The Bank considers stage 2 loans that collections of principal and interest payments have not been realized on due dates as past due in accordance with the “Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables”.

Loans that collections of principal and interest payments are overdue more than 90 days and losing creditworthiness is considered by the Bank as impaired or provisioned loans.

General loan loss provision is calculated for past due loans; Specific provision is calculated for impaired loans. The methods used in determining the provision amounts are explained in Section Three Note VIII.

Refinancing and restructuring; is the replacement of one or several loans extended by the Bank to a new loan that will cover the principal or interest payment in whole or in part due to the financial distress expected by the customer or the group in the present or future or change the terms in the current loans to ensure that the debt can be paid.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Breakdown of receivables according to major regions, sector and remaining maturity

Breakdown of receivables by major regions, sectors and remaining maturities is included in footnotes under Section Four, Note II, "Explanations Related to Credit Risk."

Impaired loans based on major regions and sectors and amounts written off corresponding provisions

Based on geographical regions, the receivables from the Bank consist of domestic receivables.

On sectoral basis, the amount of the Bank's impaired loans and related provisions are included in footnotes under Section Four, Note II. “Information of major sectors or type of counterparties” explanations credit risk explanations.

As of December 31, 2025, the amount of written off receivables is none (December 31, 2024: none).

Aging analysis for overdue receivables

The aging analysis of the receivables past due is included in footnotes under Section Four, Note II. “Explanations related to credit risk”.

Credit risk mitigation

Qualitative disclosure on credit risk mitigation techniques

In the valuations made within the scope of credit risk mitigation techniques, the methods used in relation to the valuation and management of collateral are carried out in parallel with the Communiqué on Credit Risk Mitigation Techniques. Offsetting is not used as a credit risk reduction technique.

Financial guarantees in the Bank are subject to valuation daily. Due to the use of the comprehensive financial collateral method, the risk-reducing effects of collateral are considered through standard volatility adjustments. The valuations of real estate mortgages used in capital adequacy calculations are reviewed at regular intervals.

It is ensured that the value of real estate is determined by the valuation institutions authorized by the CMB.

The main collateral that the Bank can use within the scope of credit risk mitigation techniques are financial collateral, guarantees and mortgages. In the reporting made as of December 31, 2025, guarantees and mortgages were used as credit risk reduction techniques in the calculation of the amount based on credit risk.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Credit risk mitigation (Continued)

Qualitative disclosure on credit risk mitigation techniques (Continued)

Credit risk mitigation techniques - Standard approach

		Exposures unsecured: value in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Current Period								
1	Loans	263.697.841	15.706.828	4.744.376	195.014	21.160	-	-
2	Debt securities	52.578.913	-	-	-	-	-	-
3	Total	316.276.754	15.706.828	4.744.376	195.014	21.160	-	-
4	Of which defaulted	5.709.746	-	-	-	-	-	-

		Exposures unsecured: value in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured	Exposures secured by credit derivative	Exposures secured by credit derivatives, of which: secured
Prior Period								
1	Loans	182.043.286	9.508.944	3.469.244	699.686	9.326	-	-
2	Debt securities	41.482.738	-	-	-	-	-	-
3	Total	223.526.024	9.508.944	3.469.244	699.686	9.326	-	-
4	Of which defaulted	3.673.015	-	-	-	-	-	-

Credit risk under standard approach

Qualitative disclosures on banks’ use of external credit ratings under the standardized approach for credit risk

The related disclosures are included in footnotes “Disclosures on Credit Risk” under Section Four, Note II “Explanations related to credit risk”.

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)
Explanations related to credit risk (Continued)
Credit risk under standard approach (Continued)
Credit risk exposure and credit risk mitigation effects

	Current Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	51.355.769	64.450	51.355.769	12.890	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	26	26.857	26	5.371	5.397	100%
4	Exposures to multilateral development banks	225.777	-	225.777	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	18.029.106	162.025	18.050.266	71.735	4.558.094	25%
7	Exposures to corporates	165.676.248	41.964.635	165.655.090	19.904.902	175.399.994	95%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-	-	-	-	-
10	Exposures secured by commercial real estate property	4.346.751	519	4.346.750	260	2.173.505	50%
11	Past due receivables	5.709.436	-	1.476.268	-	738.134	50%
12	Exposures in higher-risk categories r	119	161.621	119	35.384	49.613	140%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	2.988.050	-	2.988.050	-	2.988.050	100%
16	Other exposures	2.481.120	107.212	2.481.120	107.212	2.588.332	100%
17	Equity Investments	12.736.274	-	12.736.273	-	19.598.614	154%
18	Total	263.548.676	42.487.319	259.315.508	20.137.754	208.099.733	74%

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)
Explanations related to credit risk (Continued)
Credit risk under standard approach (Continued)
Credit risk exposure and credit risk mitigation effects

	Prior Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	38.985.559	-	38.987.780	-	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	16	232.156	16	46.431	46.447	100%
4	Exposures to multilateral development banks	106.747	-	106.747	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	9.108.735	192.317	9.113.967	77.793	2.668.655	29%
7	Exposures to corporates	120.289.148	24.477.112	120.281.695	11.709.594	123.327.066	93%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-	-	-	-	-
10	Exposures secured by commercial real estate property	3.198.999	-	3.198.999	-	1.599.500	50%
11	Past due receivables	3.672.723	-	457.704	-	228.852	50%
12	Exposures in higher-risk categories	107	10.955	107	2.613	2.003	74%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	1.397.348	-	1.397.348	-	1.397.348	100%
16	Other exposures	2.198.973	840.376	2.198.973	109.801	2.308.774	100%
17	Equity Investments	9.194.601	-	9.194.601	-	14.087.653	153%
18	Total	188.152.956	25.752.916	184.937.937	11.946.232	145.666.299	74%

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)
Explanations related to credit risk (Continued)
Credit risk under standard approach (Continued)
Exposures by asset classes and risk weights

	Current Period					50% Secured by Real Estate Property								Total Risk Amount (After CCR and CVA)
	Risk Groups/ Risk Weight	0%	10%	20%	25%		75%	100%	150%	200%	250%	500%		
1	Exposures to sovereigns and their central banks	51.368.659	-	-	-	-	-	-	-	-	-	-	-	51.368.659
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	5.397	-	-	-	-	-	5.397
4	Exposures to multilateral development banks	225.777	-	-	-	-	-	-	-	-	-	-	-	225.777
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	15.009.689	-	3.112.312	-	-	-	-	-	-	-	18.122.001
7	Exposures to corporates	-	-	4.611.092	-	12.942.247	-	168.006.653	-	-	-	-	-	185.559.992
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Receivables secured by commercial real estate mortgages	-	-	-	-	4.347.010	-	-	-	-	-	-	-	4.347.010
10	Past due receivables	-	-	-	-	1.476.268	-	-	-	-	-	-	-	1.476.268
11	Exposures in higher-risk categories	-	-	-	-	2	-	7.278	28.223	-	-	-	-	35.503
12	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	2.988.050	-	-	-	-	-	2.988.050
15	Equity investments	-	-	-	-	-	-	8.161.380	-	-	4.574.893	-	-	12.736.273
16	Other exposures	-	-	-	-	-	-	2.588.332	-	-	-	-	-	2.588.332
17	Total	51.594.436	-	19.620.781	-	21.877.839	-	181.757.090	28.223	-	4.574.893	-	-	279.453.262

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Credit risk under standard approach (Continued)

Exposures by asset classes and risk weights

	Current Period												
	Risk Groups/ Risk Weight	0%	10%	20%	25%	50% Secured by Real Estate Property	75%	100%	150%	200%	250%	500%	Total Risk Amount (After CCR and CVA)
1	Exposures to sovereigns and their central banks	38.987.780	-	-	-	-	-	-	-	-	-	-	38.987.780
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	46.447	-	-	-	-	46.447
4	Exposures to multilateral development banks	106.747	-	-	-	-	-	-	-	-	-	-	106.747
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	6.446.625	-	2.731.609	-	13.526	-	-	-	-	9.191.760
7	Exposures to corporates	-	-	4.403.220	-	10.766.271	-	116.338.820	482.978	-	-	-	131.991.289
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Receivables secured by commercial real estate mortgages	-	-	-	-	3.198.999	-	-	-	-	-	-	3.198.999
10	Past due receivables	-	-	-	-	457.704	-	-	-	-	-	-	457.704
11	Exposures in higher-risk categories	-	-	-	-	2.077	-	-	643	-	-	-	2.720
12	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	1.397.348	-	-	-	-	1.397.348
15	Equity investments	-	-	-	-	-	-	5.932.566	-	-	3.262.035	-	9.194.601
16	Other exposures	-	-	-	-	-	-	2.308.774	-	-	-	-	2.308.774
17	Total	39.094.527	-	10.849.845	-	17.156.660	-	126.037.481	483.621	-	3.262.035	-	196.884.169

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Disclosures on counterparty credit risk (CCR)

Qualitative disclosures on CCR

Counterparty credit risk is managed by monitoring the concentrations at various levels regarding counterparty credit risks, the capital requirement imposed by the counterparty credit risk and the limits set by the Board of Directors for counterparty transactions. Moreover, the ratio of the counterparty credit risk exposure to total risk-weighted assets has been identified as a risk appetite indicator.

Counterparty credit risk resulting from repurchase transactions, securities and commodities lending transactions and derivatives transactions is calculated within the framework of Annex 2 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks. Fair Value Valuation Method is applied for derivatives transactions. Risk exposure of derivative transactions is equal to 1,4 times the sum of replacement cost and potential credit risk amount. Besides, capital requirement is also calculated for credit valuation adjustment (CVA) risk in relation to derivatives transactions. For repurchase and securities lending transactions risk amount is calculated considering volatility and credit quality level.

Derivatives transactions executed with counterparties are carried out within the scope of "ISDA" and "CSA" agreements. These agreements contain the same collateralization provisions for our Bank and counterparties, and daily collateral settlement is performed.

Analysis of counterparty credit risk exposure by approach

	Current Period	Replace ment cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	346.589	587.406	-	1,4	1.307.593	634.297
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	2.232.043	1.039.307
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	Total	-	-	-	-	-	1.673.604

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Disclosures on counterparty credit risk (CCR) (Continued)

Analysis of counterparty credit risk exposure by approach (Continued)

	Prior Period	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	202.944	293.569	-	1,4	695.118	306.795
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	943.439	867.802
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	Total	-	-	-	-	-	1.174.597

Credit valuation adjustment (CVA) for capital charge

	Current Period	Exposure at default post- credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
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 charge	1.307.593	420.271
4	Total subject to the CVA capital charge	1.307.593	420.271

	Prior Period	Exposure at default post- credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
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 charge	695.118	179.383
4	Total subject to the CVA capital charge	695.118	179.383

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)
Disclosures on counterparty credit risk (CCR) (Continued)

Counterparty credit risk exposures (CCR) by regulatory portfolio and risk weights

Current Period	Risk weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (1)
Risk groups										
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	529	-	-	529
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	1.340.930	1.562.669	-	-	-	-	-	2.903.599
Exposures to corporates	-	-	8	23.895	-	611.596	-	-	-	635.499
Retail exposures	-	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	9	-	-	-	9
Total	-	-	1.340.938	1.586.564	-	612.134	-	-	-	3.539.636

(1) Total credit risk: The amount related to the calculation of capital adequacy after applying counterparty credit risk measurement techniques.

Prior Period	Risk weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure(1)
Risk groups										
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	12.828	-	-	12.828
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	232.329	536.729	-	-	-	-	-	769.058
Exposures to corporates	-	-	191	19.167	-	837.232	4	-	-	856.594
Retail exposures	-	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	78	-	-	-	78
Total	-	-	232.520	555.896	-	850.138	4	-	-	1.638.558

(1) Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques.

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)
Disclosures on counterparty credit risk (CCR) (Continued)

Collaterals used for CCR

Current Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	3.717.14	-
Cash – foreign currency	1.040.061	-	502.689	-	6.490.645	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	1.040.061	-	502.689	-	10.207.794	-

Prior Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	1.961.247	-
Cash – foreign currency	1.714.829	-	29.697	-	1.511.243	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	1.714.829	-	29.697	-	3.472.490	-

Credit derivatives

None (December 31, 2024: None)

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)
Exposures to central counterparties

	Current Period		Prior Period	
	Exposure at Default Post – CRM	RWA	Exposure at Default Post – CRM	RWA
Exposure to Qualified Central Counterparties (QCCPs) Total	918.752	12.141	1.206.182	19.242
Exposures for trades at QCCPs (excluding initial margin and default fund contributions) of which	449.068	8.981	886.380	17.728
(i) OTC Derivatives	154.648	3.093	127.608	2.552
(ii) Exchange-traded Derivatives	58.861	1.177	82.841	1.657
(iii) Securities financing transactions	235.559	4.711	675.931	13.519
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	411.813	-	270.301	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	57.871	3.160	49.501	1.514
Unfunded default fund contributions	-	-	-	-
Exposures to non- Central Counterparties (QCCPs) Total	-	-	-	-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC Derivatives	-	-	-	-
(ii) Exchange-traded Derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

Securitization exposures:

None. (December 31, 2024: None).

SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)
Explanations on market risk

Qualitative information to be disclosed to public concerning market risk

Market risk is the possibility of a risk being incurred by the portfolio or position accepted within the scope of trading portfolio as a result of interest rates, equity prices, commodity prices in financial markets and exchange rate fluctuations. The purpose of market risk management is to manage, within the appropriate parameters, the risks which the Bank might be exposed to with a proactive approach and thus maximize the Bank's risk adjusted return.

Interest rate, exchange rate, stock and commodity price risks are the major elements of market risk. In order to control these risks in a healthy manner the core principle is to manage transactions carried out in money and capital markets such that they do not form concentration in terms of instrument, maturity, currency, interest type and other similar parameters, and in a “well diversified” manner in accordance with their risk levels. Moreover, the creditworthiness of issuers of financial instruments causing market risk is monitored carefully.

Market Risk is managed by using consistent risk measurements and criteria fluctuation level of interest rates and/or prices and Value at Risk calculations, establishing appropriate procedures for control and monitoring compliance with identified risk limits and risk appetite.

Market risk is measured, monitored and reported by the Department of Risk Management. The Bank uses in the calculation of market risk, BRSA Standard Method and advanced method which is Value at Risk (VaR) and Expected Shortfall approaches.

The standard method is applied in the calculation of capital adequacy monthly. VaR calculations are performed on a daily basis and are reported to the senior management. Monte Carlo simulation method is used for VaR calculations.

The VaR model is based on the assumptions of a 99% confidence interval and a 1-day holding period, and the accuracy of the model is assured by back-testing which is based on the comparison of calculated VaR Value against incurred losses. Besides, stress tests are conducted to identify the impact on VaR which will be highly damaging, although their occurrence is a low possibility.

In addition to the activities of the Risk Management Department, the Treasury Control Unit also reports daily positions and limits use status to the senior management.

Market Risk-standard approach

	Risk Weighted Amount (RWA)	
	Current Period	Prior Period
Outright products	-	-
1 Interest rate risk (general and specific)	493.525	424.913
2 Equity risk (general and specific)	34.838	29.212
3 Foreign exchange risk	1.664.475	1.056.300
4 Commodity risk	-	-
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 Total	2.192.838	1.510.425

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SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations on operational risk

Information to be disclosed to the public regarding operational risk

Operational Risk Exposure is measured in the Bank once a year by using the Basic Indicator Method based on the "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks".

	31/12/2022	31/12/2023	31/12/2024	Total/Positive BG year number	Ratio(%)	Total
Gross Income	7.712.023	12.412.153	13.576.398	11.233.525	15	1.685.029
Value at Operational Risk (Total*12,5)						21.062.859

	31/12/2021	31/12/2022	31/12/2023	Total/Positive BG year number 1	Ratio(%)	Total
Gross Income	3.454.648	7.712.023	12.412.153	7.859.608	15	1.178.941
Value at Operational Risk (Total*12,5)						14.736.765

Statements regarding interest rate risk arising from banking accounts.

Banking Rate Risk (BHFOR) refers to the risk that potential changes in interest rates due to differences in repricing periods and interest rate structures of interest-sensitive assets and liabilities tracked in banking accounts may affect a bank's capital.

BHFOR calculations and reporting are carried out monthly in accordance with the "Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts Using the Standard Approach," published in the Official Gazette dated May 12, 2025, and numbered 32898, which entered into force on October 1, 2025.

BHFOR management is based on monitoring both changes in the Bank's economic value (EDD) and their impact on net interest income (NFGD). Internal stress tests and scenario analyses, compliant with regulatory requirements, are conducted to identify potential risks in the financial and economic environment in a timely manner. These analyses are regularly reported to the Asset-Liability Committee and senior management, supporting effective oversight and decision-making processes. Compliance with the BHFOR limits established by the Board of Directors is periodically monitored and reported by the Risk Management Department.

SECTION FOUR (Continued) INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Statements regarding interest rate risk arising from banking accounts. (Continued)

The Asset-Liability Committee (ALC) is responsible for monitoring and effectively managing interest rate risk and taking corrective measures when necessary. In this context, the Committee ensures the optimal management of the maturity, interest rate type, and currency allocation of assets and liabilities, and the use of capital in a way that maximizes the impact of changes in interest rates on net interest income and economic value. As part of its risk management, the Bank utilizes hedging strategies through derivative instruments and actively manages foreign exchange and interest rate risks.

Due to the Bank's status as a non-deposit taking bank and its function as a development and investment bank, the regulatory assumptions and ratios included in the BRSA (Banking Regulation and Supervision Agency) regulations regarding early payment effects are applied, and no internal assumption has been developed by the Bank.

The bank's calculation of interest rate risk arising from banking accounts is given in the table below.

	EDD
	Current Period
	31.12.2025
Parallel Upward	2.508.566
Parallel Downward	(2.479.914)
Ascending Slope	(461.825)
Decreasing Slope	1.102.213
Short Term Up	2.139.329
Short Term Down	(2.116.820)
Maximum	2.508.566
Initial Capital	57.202.866

In EDD calculations, interest rate margins are included in contractual cash flows, and TLREF is used as the discount yield curve for TL, ESTR for Euro, and SOFR for USD.

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SECTION FIVE EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets

1.a Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	-	-	-	-
Balances with the Central Bank of Turkey	474	5.702.663	772	2.879.653
Other	-	-	-	-
Total	474	5.702.663	772	2.879.653

1.b Information related to the account of the Central Bank of Turkey:

	Current Period (1)		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	474	9.276	772	7.345
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (2)	-	5.693.387	-	2.872.308
Total	474	5.702.663	772	2.879.653

(1) Expected credit loss amounting to TL 5.646 is allocated in "Balances with the Central Bank of Turkey" (December 31, 2024: TL 3.102).
(2) Includes the amount of required reserves blocked at the CBRT for Turkish lira assets and foreign currency liabilities.

As per the Communiqué numbered 2005/1 "Reserve Deposits" of the CBRT, banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. Reserves are calculated and set aside every two weeks on Fridays for 14 days periods. The CBRT Required reserves of May 2, 2015 has started to pay interest to the Required reserves, reserve options and unrestricted account held in US dollars according to regulation released on May 5, 2015.

As per the "Communiqué on Amendments to be Made on Communiqué on Required Reserves" of Central Bank of Turkey, numbered 2011/11 and 2011/13, required reserves for Turkish Lira and Foreign currency liabilities are set at Central Bank of Turkey based on rates mentioned below. Reserve rates prevailing at December 31, 2025 are presented in table below:

Reserve Rates for Turkish Lira Liabilities (%)	
Original Maturity	Reserve Ratio
Borrower funds	0
Until 1 year maturity (1 year included)	8
Until 3-year maturity (3 year included)	5,5
More than 3-year maturity	3
Securities issued by development and investment banks with a maturity of more than 1 year	0
Other liabilities of banks with maturities of up to 1 month (including 1 month), funds obtained from foreign repo transactions and loans utilized from abroad.	18
Other liabilities of banks with maturities of up to 3 months (including 3 months), funds obtained from foreign repo transactions and loans utilized from abroad.	14
Other liabilities of banks with maturities of up to 1 year (including 1 year) include deposits/participation funds in foreign banks, funds obtained from foreign repurchase agreements, and loans utilized from abroad.	12
Banks' demand deposits/participation funds in foreign banks that belong to their parent companies	0

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets

1.b Information related to the account of the Central Bank of Turkey (Continued)

Reserve Rates for Foreign Currency Liabilities (%)	
Original Maturity	Reserve Ratio
Borrower funds	25
Until 1 year maturity (1 year included)	21
Until 2-year maturity (2 year included)	16
Until 3-year maturity (3 year included)	11
Until 5-year maturity (5 year included)	7
More than 5-year maturity	5
Funds obtained from repurchase agreements with domestic residents for other liabilities of banks with maturities of up to 1 year (including 1 year).	25

2. Information on financial assets at fair value through profit and loss:

2.a. Information on financial assets designated at fair value through profit and loss given as collateral or blockage:

As of the reporting date, the Bank has no financial assets designated at fair value through profit and loss given as collateral or blockage (December 31, 2024: None).

2.b Financial assets designated at fair value through profit and loss subject to repurchase agreements:

As of the reporting date, the Bank has no financial assets designated at fair value through profit and loss subject to repurchase agreements (December 31, 2024: None).

2.c Positive differences table related to derivative financial assets and other financial assets:

As of December 31, 2025, there are no loans with fair value differences reflected in profit and loss. (December 31, 2024: none)

As of December 31, 2025, 2,859,863 TL of other financial assets consist of venture capital investment funds (December 31, 2024: 1,359,666 TL).

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

2.d Loans measured at Fair Value through Profit/Loss:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Derivative Assets (1)				
Forward Transactions	194.706	31.148	3.294	511
Swap Transactions	785.429	659.473	692.662	1.241.541
Futures Transaction	-	-	-	-
Options	-	952	-	24
Other	-	-	-	-
Total	980.135	691.573	695.956	1.242.076

(1) Derivative Financial Assets for Hedging Purposes amounting to TL 215.768 are shown in the "Derivative Financial Assets" account (December 31, 2024: TL 1.119.407)

As part of its economic hedging strategy, the Bank has implemented TL cross currency interest rate swap transactions in which the Bank's default risk is the reference. These swap agreements are subject to a direct closing condition for both the Bank and the counterparty, in the event of a credit default event (such as non-payment) related to the Bank, to cancel the amounts accrued in the contract and all future payments. As of December 31, 2025, the market rediscount value of this swap transaction with a nominal amount of 25 million dollars is TL 771.389 and the maturity is 2027 (December 31, 2024: \$ 25 million is TL 551.146).

3. Information on banks and foreign banks accounts

3.a Information on banks:

	Current Period (1)		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	2.530	5.965.573	3.006	6.322.595
Foreign	-	2.473.813	-	1.350.261
Branches and head office abroad	-	-	-	-
Total	2.530	8.439.386	3.006	7.672.856

(1) Expected credit loss amounting to TL 644 is allocated in "Banks" (December 31, 2024: TL 260).

3.b Information on foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	631.694	4.471	-	-
USA and Canada	444.057	15.210	-	-
OECD Countries (1)	1.398.062	1.330.580	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	2.473.813	1.350.261	-	-

(1) OECD countries other than European Union countries, USA and Canada.

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

4. Information on financial assets at fair value through other comprehensive income

4.a.1 Information on financial assets at fair value through other comprehensive income subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	2.087.808	-	1.985.056
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	2.087.808	-	1.985.056

4.a.2 Information on financial assets at fair value through other comprehensive income given as collateral or blockage:

As of December 31, 2025 all financial assets at fair value through other comprehensive income given as collateral comprise of financial assets issued by the T.R. Undersecretariat of Treasury. The carrying value of those assets is TL 8.133.602 (December 31, 2024: TL 5.366.843).

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	6.453.466	1.680.136	4.271.767	1.095.076
Other	-	-	-	-
Total	6.453.466	1.680.136	4.271.767	1.095.076

4.b Major types of financial assets at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income comprised of government bonds 68,49%, Eurobonds 24,32%, 7,19% and shares and other securities (December 31, 2024: 63,27% government bonds, 27,27% Eurobond, 9,46% shares and other securities).

4.c Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	25.245.640	17.359.192
Quoted on a stock Exchange	18.749.421	12.348.778
Unquoted	6.496.219	5.010.414
Share certificates	1.517.898	1.094.761
Quoted on a stock Exchange	82.455	80.417
Unquoted	1.435.443	1.014.344
Impairment provision (-)	52.069	101.064
Total	26.711.469	18.352.889

The net book value of unquoted financial assets at fair value through other comprehensive income share certificates is TL 1.430.550 (December 31, 2024: TL 1.009.450).

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

5. Explanation on loans

5.a Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	124.490	-	307.580	-
Corporate shareholders	124.490	-	307.580	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	17.438	-	7.975	-
Total	141.928	-	315.555	-

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:

Current Period (I)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Amendments on Conditions of Contract	
			Loans with Revised Contract Terms	Refinance
Non-specialized loans	212.596.743	-	16.424.519	-
Working Capital loans	29.959.400	-	4.892.355	-
Export loans	1.534.305	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	16.179.897	-	-	-
Consumer loans	17.438	-	-	-
Credit cards	-	-	-	-
Other	164.905.703	-	11.532.164	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	212.596.743	-	16.424.519	-

(1) Purchase Loans and totaling TL 7.816.498 which are shown under "Business Loans" in the bank account plan, are shown under the "Other" category in the footnote above due to their "Investment" nature.

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

5. Explanation on loans (Continued)

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:

Prior Period (1)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Amendments on Conditions of Contract	
			Loans with Revised Contract Terms	Refinance
Non-specialized loans	151.322.073	-	11.004.983	-
Working Capital loans	25.148.155	-	4.186.792	-
Export loans	1.676.480	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	14.736.143	-	-	-
Consumer loans	7.975	-	-	-
Credit cards	-	-	-	-
Other	109.753.320	-	6.818.191	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	151.322.073	-	11.004.983	-

(1) Purchase Loans and Fleet Rental Loans totaling TL 1.850.902 which are shown under "Business Loans" in the bank account plan, are shown under the "Other" category in the footnote above due to their "Investment" nature.

	Current Period		Prior Period	
	Standard Loans	Loans under Close Monitoring	Standard Loans	Loans under Close Monitoring
12 Months Expected Credit Loss	1.008.022	-	929.233	-
Significant Increase in Credit Risk	-	5.352.876	-	3.882.690

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

5. Explanation on loans (Continued)

5.c Loans according to their maturity structure:

Current Period	Standard Loans	Loans Under Close Monitoring	
		No restructured	Restructured
Short-term loans	4.698.488	-	1.945.082
Non-specialized loans	4.698.488	-	1.945.082
Specialized loans	-	-	-
Other receivables	-	-	-
Medium and Long-term loans	207.898.255	-	14.479.437
Non-specialized loans	207.898.255	-	14.479.437
Specialized loans	-	-	-
Other receivables	-	-	-

Prior Period	Standard Loans	Loans Under Close Monitoring	
		No restructured	Restructured
Short-term loans	3.912.993	-	1.488.930
Non-specialized loans	3.912.993	-	1.488.930
Specialized loans	-	-	-
Other receivables	-	-	-
Medium and Long-term loans	147.409.080	-	9.516.053
Non-specialized loans	147.409.080	-	9.516.053
Specialized loans	-	-	-
Other receivables	-	-	-

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

5. Explanation on loans (Continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TL	4.926	12.512	17.438
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	4.926	12.512	17.438
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts-TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	4.926	12.512	17.438

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

5. Explanation on loans (Continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (Continued):

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TL	3.373	4.602	7.975
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	3.373	4.602	7.975
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	3.373	4.602	7.975

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)

5. Explanation on loans (Continued)

5.e Information on commercial loans with instalments and corporate credit cards:

The Bank has not granted any commercial loans with instalments and corporate credit cards as of the reporting date (December 31, 2024: None).

5.f Loans according to borrowers:

	Current Period	Prior Period
Public	4.126.451	3.102.769
Private	224.894.811	159.224.287
Total	229.021.262	162.327.056

5.g Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	228.410.638	161.878.851
Foreign loans	610.624	448.205
Total	229.021.262	162.327.056

5.h Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	2.020.814	2.197.707
Indirect loans granted to subsidiaries and associates	-	-
Total	2.020.814	2.197.707

5.i Specific provisions provided against loans or default (Stage 3) provisions:

	Current Period	Prior Period
Loans and receivables with limited collectability	2.406.119	1.459.431
Loans and receivables with doubtful collectability	-	5.170
Uncollectible loans and receivables	1.827.358	1.750.710
Total	4.233.477	3.215.311

5.j Information on non-performing loans (net):

5.j.1 Information on loans and other receivables restructured from non-performing loans or linked to a new amortization schedule:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Gross amounts before provisions	48.043	-	1.670.358
Rescheduled loans	48.043	-	1.670.358
Prior Period			
Gross amounts before provisions	467.612	10.339	1.669.713
Rescheduled loans	467.612	10.339	1.669.713

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- SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
1. Explanations and disclosures related to the assets (Continued)
5. Explanation on loans (Continued)
5.j Information on non-performing loans (net) (Continued)
5.j.2 Information on total non-performing loans (net):

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Prior period end balance	1.904.537	10.339	1.758.139
Additions (+)	3.835.611	-	4.149
Transfers from other categories of non-performing loans (+)	-	-	1.436.925
Transfers to other categories of non-performing loans (-)	1.436.925	-	-
Collections (-)	420.835	10.339	1.372.094
Write-offs (-) (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	-	-	239
Current period end balance	3.882.388	-	1.827.358
Provision (-)	2.406.119	-	1.827.358
Net Balances on Balance Sheet	1.476.269	-	-

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Prior Period			
Prior period end balance	2.237.702	1.450.294	251.166
Additions (+)	265.657	-	1.654
Transfers from other categories of non-performing loans (+)	-	314.210	1.578.447
Transfers to other categories of non-performing loans (-)	506.270	1.386.387	-
Collections (-) (1)	92.635	367.778	73.225
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	83	-	97
Current period end balance	1.904.537	10.339	1.758.139
Provision (-)	1.459.431	5.170	1.750.710
Net Balances on Balance Sheet	445.106	5.169	7.429

(1) The amount related to real estate acquired by the Bank due to its non-performing receivables is shown in the collections line.

- SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
1. Explanations and disclosures related to the assets (Continued)
5. Explanation on loans (Continued)
5.j Information on non-performing loans (net)(Continued)
5.j.3 Information on foreign currency non-performing loans and other receivables:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Period End Balance	-	-	1.344
Provision (-)	-	-	1.344
Net Balance on Balance Sheet	-	-	-
Prior Period			
Period End Balance	-	-	1.105
Provision (-)	-	-	1.105
Net Balance on Balance Sheet	-	-	-

- 5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables With	Loans and Other Receivables With	Uncollectible Loans and Other
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	3.882.388	-	1.827.358
Provision Amount (-)	2.406.119	-	1.827.358
Loans to Real Persons and Legal Entities (Net)	1.476.269	-	-
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

	III. Group	IV. Group	V. Group
	Loans and Other Receivables With Limited Collectability	Loans and Other Receivables With Doubtful Collectability	Uncollectible Loans and Other Receivables
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	1.904.537	10.339	1.758.139
Provision Amount (-)	1.459.431	5.170	1.750.710
Loans to Real Persons and Legal Entities (Net)	445.106	5.169	7.429
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

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- SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
1. Explanations and disclosures related to the assets (Continued)
5. Explanation on loans (Continued)
5.j Information on non-performing loans (net) (Continued)
5.j.5 Information on interest accruals, rediscount, and valuation differences calculated for non-performing loans and their provisions:

	III.Group	IV.Group	V.Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	-	-	239
Provision amount (-)	-	-	239
Prior Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	83	-	97
Provision amount (-)	83	-	97

- 5.k Main principles of liquidating non-performing loans and receivables:

In case of existence of the collateral elements stated in Article 13 of the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables to be set aside for these, these elements are liquidated as soon as possible as a result of both administrative and legal initiatives and liquidation of the receivables is ensured.

In the absence of collateral, the debtor is provided with an insolvency certificate, but in various periods, intense intelligence is made and the legal asset is applied to determine the acquired assets.

Legal procedures followed before and after; on the financial information of the company when the creditor deemed able to live in the investigation that will be made by the Bank and if it contributed to the economy in relation to firms that dominate considers that contributed to production, efforts are made to the liquidation of receivables agreement.

- 5.l Explanations about the write-off policies from the assets:

Within the scope of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions for These" published in the Official Gazette dated November 27, 2019, and numbered 30961, loans classified as "Fifth Group-Uncollectible Loans", for which there is no reasonable expectation of recovery, can be excluded from the balance sheet. The deduction of the loans that cannot be collected from the records is an accounting application and does not result in the waiver of the right to receive them.

The Bank allocates expected loan loss provisions within the scope of TFRS 9 for the parts of the loans that are not expected to be collected, and the details are given in VIII. Explanations on impairment of financial assets and Calculation of expected credit losses are given under the headings. Amounts written off during the period are disclosed in the footnotes of the financial statements.

As of December 31, 2025, the amount of the Bank's written off loan is none (December 31, 2024: None.).

- SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (Continued)
6. Information on financial assets measured at amortized cost
6.a The information was subjected to repurchase agreement and given as collateral/blocked amount of investments:

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralized/Blocked Investments	1.158.990	2.851.665	2.621.515	4.120.258
Subject to Repurchase Agreements	1.287.855	3.941.602	2.666.448	131.383
Total	2.446.845	6.793.267	5.287.963	4.251.641

- 6.b Information on government debt measured at amortized cost:

	Current Period	Prior Period
Government Bonds	27.380.448	24.219.715
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	27.380.448	24.219.715

- 6.c Information on financial investments measured at amortized cost:

	Current Period	Prior Period
Debt Securities		
Quoted on a Stock Exchange	9.864.686	9.949.963
Not Quoted	17.515.762	14.269.752
Impairment provision (-)	-	-
Total	27.380.448	24.219.715

- 6.d Movement of financial assets at amortized costs within the year:

	Current Period	Prior Period
Balance at Beginning of the Period	24.219.715	18.894.112
Foreign Currency Differences on Monetary Assets	3.217.511	2.121.701
Purchases During the Period	33.357	3.194.001
Disposals Through Sales and Redemptions (-)	1.709.071	704.972
Impairment Loss (-)	-	-
Interest Income Accruals	1.618.936	714.873
Balance at End of Period	27.380.448	24.219.715

Expected credit loss amounting to TL 19.340 is allocated in "Financial asset measured at amortized cost" (December 31, 2024: TL 20.200).

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the assets (Continued)
7. Information on associates (net)
7.a Information on associates

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	İş Faktoring A.Ş (İş Faktoring)	İstanbul/Türkiye	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	İstanbul/Türkiye	29,46	60,97
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (İş Girişim)	İstanbul/Türkiye	17,69	62,07
4	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	İstanbul/Türkiye	17,83	18,76
5	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	İzmir/Türkiye	10,05	20,10

		Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/ Loss	Fair Value
1	İş Faktoring	38.822.422	6.320.845	51.178	11.149.918	-	1.990.659	1.000.450	-
2	İş Finansal (2)	101.221.396	13.453.550	139.471	16.850.504	-	3.630.137	1.925.193	11.514.212
3	İş Girişim (2) (3)	14.523.035	10.723.243	17.674	87.378	-	5.744.130	1.945.145	5.882.488
4	Terme (1)	32.333	29.355	26.005	-	-	(9)	(7)	-
5	Ege Tarım	83.426	49.408	65.187	2.945	13.197	(2.008)	15.999	-

- (1) The information is obtained from financial statements as of June 30, 2025. The information of prior year profit/loss is obtained from June 30, 2024 financial statements.
(2) Fair value is calculated based on the stock market value as of 31 December 2025.
(3) The financial information of the company consists of the amounts not subject to inflation accounting as stated in the company's special disclosure, and these balances have been adjusted and used in the Bank's financial statements in accordance with the group's accounting policies.

7.b Movements of associates subject to consolidation

	Current Period	Prior Period
Balance at the Beginning of the Period	4.201.492	2.825.834
Movements During the Period	1.306.875	1.375.658
Purchases	200.000	-
Bonus Shares Obtained	-	-
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase / decrease (1)	1.106.875	1.375.658
Provision for Impairment (-)	-	-
Balance at the End of the Period	5.508.367	4.201.492
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

- (1) Includes accounting differences with the equity method.
(2) Following the capital increase of 800,000,000 TL (full amount) made by İş Girişim, the Bank acquired İş Girişim shares worth 200,000 TL.

Information on associates disposed of in the current period

In the current period the Bank has not disposed of any associates.

Information on associates purchased in the current period

In current period the Bank has not purchased any associates.

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the assets (Continued)
7. Information on associates (net) (Continued)
7.c Sectoral information of associates subject to the related carrying amounts in the legal books:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	1.374.783	1.014.392
Leasing Companies	3.558.056	2.632.351
Financial Service Companies	-	-
Other Financial Associates	570.562	549.582

7.d Information on associates subject quoted on stock market:

	Current Period	Prior Period
Associates quoted on domestic stock exchanges	4.128.618	3.181.933
Associates quoted on foreign stock exchanges	-	-

8. Information on subsidiaries (net)

8.a Information related to equity component of subsidiaries:

	YF	TSKB GYO
Current Period (1)		
CORE CAPITAL		
Paid-in Capital	400.000	650.000
Share Premium	-	1.136
Legal Reserves	26.866	8.206
Other Comprehensive Income according to TAS	468.631	-
Current and Prior Years' Profit/Loss	825.823	5.505.961
Leasehold Improvements (-)	4.445	-
Intangible Assets (-)	4.772	107
Total Core Capital	1.712.103	6.165.196
Supplementary Capital	-	-
Capital	-	-
NET AVAILABLE CAPITAL	1.712.103	6.165.196

- (1) The information is obtained from financial statements subject to consolidation as of December 31, 2025.

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the assets (Continued)
8. Information on subsidiaries (net) (Continued)
8.a Information related to equity component of subsidiaries (Continued):

	YF	TSKB GYO
Prior Period (1)		
CORE CAPITAL		
Paid-in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	19.684	8.448
Other Comprehensive Income/Loss according to TAS	28.286	-
Current and Prior Years' Profit	836.364	4.055.563
Leasehold Improvements (-)	4.120	-
Intangible Assets (-)	1.160	73
Total Core Capital	942.554	4.715.074
Supplementary Capital	-	-
Capital	-	-
NET AVAILABLE CAPITAL	942.554	4.715.074

- (1) The information is obtained from financial statements subject to consolidation as of December 31, 2024.

Paid-in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. The effect of inflation adjustments on paid-in capital is the difference caused by the inflation adjustment on shareholders' equity items. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit has been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the Article 519 of the Turkish Commercial Code numbered 6102.

8.b As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated subsidiaries and reason of consolidating and needed capital if they are subject to capital requirement:

TSKB Gayrimenkul Değerleme A.Ş. and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. are valued at cost and are not consolidated since they are not financial subsidiaries. Unconsolidated subsidiaries of the Bank are not subject to minimum capital requirement.

8.c Information on subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Gayrimenkul Değerleme A.Ş. (TSKB GMD)	İstanbul /Türkiye	100,00	100,00
2	Yatırım Finansman Menkul Değerler A.Ş. (YF)	İstanbul /Türkiye	95,78	98,51
3	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	İstanbul/Türkiye	88,61	88,61
4	TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (TSKB SD)	İstanbul/Türkiye	100,00	100,00

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the assets (Continued)
8. Information on subsidiaries (net) (Continued)
8.c Information on subsidiaries (Continued):

		Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	TSKB GMD	206.058	142.749	26.815	29.762	-	56.000	43.893	-
2	YF (1)	10.719.293	1.722.893	250.537	2.296.790	368.953	356.708	335.579	-
3	TSKB GYO (2) (3)	6.995.207	6.191.132	6.729.508	29.637	-	1.472.209	1.369.456	3.952.170
4	TSKB SD	39.540	29.459	2.762	5.749	-	10.358	4.315	-

- (1) The financial information of the company consists of the amounts not subject to inflation accounting as stated in the company's special disclosure, and these balances have been adjusted and used in the Bank's financial statements in compliance with the group's accounting policies.
(2) The financial data related to the consolidated subsidiaries are prepared in accordance with the regulations of the BRSA.
(3) Fair value has been calculated based on the stock market value as of December 31, 2025.

8.d Movement schedule for subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	5.219.274	3.676.484
Movements in the period	2.065.562	1.542.790
Purchases	-	-
Bonus shares obtained	-	-
Current year share of profit	-	-
Sales	-	(801)
Revaluation increase / decrease (1)	2.065.562	1.543.591
Provision for impairment	-	-
Balance at the end of the period	7.284.836	5.219.274
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

- (1) Includes accounting differences with the equity method.

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- SECTION FIVE (Continued)
- EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
- I. Explanations and disclosures related to the assets (Continued)

8. Information on subsidiaries (net) (Continued)

8.d Movement schedule for subsidiaries (Continued)

Subsidiaries disposed of in the current period

In the current period, the Bank has not disposed of any subsidiaries.

Subsidiaries purchased in the current period

In the current period, the Bank has not purchased any subsidiaries.

8.e Sectoral information on subsidiaries to Financial and the related carrying amounts in the legal books:

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Financial Subsidiaries	7.112.628	5.085.830

8.f Subsidiaries subject to quoted on stock market:

	Current Period	Prior Period
Subsidiaries quoted on domestic stock exchanges	5.463.928	4.177.984
Subsidiaries quoted on foreign stock exchanges	-	-

9. Subsidiaries subject to quoted on stock market:

The Bank has no entities under common control as of the reporting date (December 31, 2024: None).

10. Information on lease receivables (net)

10.a Maturities of investments on leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	137.544	116.264	49.502	42.888
Between 1- 4 years	579.972	480.321	113.032	91.573
More than 4 years	655.192	552.153	353.471	283.092
Total	1.372.708	1.148.738	516.005	417.553
- Expected credit loss amounting to TL 158.668 (December 31, 2024: TL 117.847) is allocated in “Lease Receivables”.
- SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

10. Information on lease receivables (net) (Continued)

10.b The information on net investments in finance leases:

	Current Period	Prior Period
Gross investments in leases	1.372.708	516.005
Unearned revenue from leases (-)	223.970	98.452
Cancelled leases (-)	-	-
Net investments in leases	1.148.738	417.553

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement:

Finance lease agreements are made in accordance with the related articles of Financial Leasing, Factoring and Financing Company Law No 6361. There is no restructuring or restrictions, which have material effect on financial statements.

11. Explanation on derivative financial assets held for hedging purposes

11.a Positive differences on derivative financial instruments held for hedging purposes:

There is a positive difference amounting to TL 215.768 related to derivative financial assets for hedging purposes (December 31, 2024 TL 1.119.407 positive differences).

As of December 31, 2025, the net fair value of derivative financial instruments designated as hedging instruments carried in the contract amount and the balance sheet are summarized in the following table:

	Current Period			Prior Period		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swaps	61.123.629	206.853	94.907	38.602.372	18.436	417.848
FC	61.123.629	206.853	94.907	38.602.372	18.436	417.848
TL	-	-	-	-	-	-
Money Swaps	28.405.993	8.915	467.014	30.696.329	1.100.971	-
FC	28.405.993	8.915	467.014	30.696.329	1.100.971	-
TL	-	-	-	-	-	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

11. Explanation on derivative financial assets held for hedging purposes (Continued)

11.a.1 Information on fair value hedge accounting

Current Period	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income Statement Effect (Profit/Loss Through Derivative Financial Instrument)
Hedging Item				Assets	Liabilities	
Interest Rate Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(280.410)	193.029	-	(87.381)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	64.253	-	(68.336)	(4.083)
Cross Money Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(54.984)	122.280	-	67.296

(1) The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

Prior Period	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income Statement Effect (Profit/Loss Through Derivative Financial Instrument)
Hedging Item				Assets	Liabilities	
Interest Rate Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(27.268)	21.597	-	(5.671)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	106.172	-	(113.852)	(7.680)
Cross Money Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(73.032)	104.084	-	31.052

(1) The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

12. Explanations on tangible assets

The property is located within the Bank's tangible assets are accounted for by the scope of TAS 16 valuation. For the year 2025, appraisal companies authorized by the CMB and BRSA have been appraised, and the value increases based on the appraisal results have been accounted for in the relevant accounts.

Current Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluation Surplus	Current Period End
Cost					
Land and buildings	389.040	-	-	75.970	465.010
Assets held under finance leases	6.843	9.325	-	-	16.168
Vehicles	12.669	37.585	(2.270)	-	47.984
Right to use Securities-Real Estate	292.305	48.467	-	-	340.772
Assets held for resale	-	-	-	-	-
Other	71.269	23.885	(1.462)	-	93.692
Total Cost	772.126	119.262	(3.732)	75.970	963.626
Accumulated depreciation					
Land and buildings	(3.774)	(1.369)	-	-	(5.143)
Assets held under finance leases	(1.874)	(2.195)	-	-	(4.069)
Right to use Securities-Real Estate	(4.548)	(7.293)	1.711	-	(10.130)
Vehicles	(148.306)	(46.656)	-	-	(194.962)
Assets held for resale	-	-	-	-	-
Other	(40.980)	(12.176)	1.064	(4)	(52.096)
Total accumulated depreciation	(199.482)	(69.689)	2.775	(4)	(266.400)
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net Book Value	572.644	49.573	(957)	75.966	697.226

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

12. Explanations on tangible assets (Continued)

Prior Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluati on Surplus	Current Period End
Cost					
Land and buildings	304.571	192	-	84.277	389.040
Assets held under finance leases	4.446	2.397	-	-	6.843
Vehicles	9.551	3.161	(43)	-	12.669
Right to use Securities-Real Estate	190.313	101.992	-	-	292.305
Assets held for resale	-	-	-	-	-
Other	60.572	12.850	(2.153)	-	71.269
Total Cost	569.453	120.592	(2.196)	84.277	772.126
Accumulated depreciation					
Land and buildings	(2.561)	(1.213)	-	-	(3.774)
Assets held under finance leases	(278)	(1.596)	-	-	(1.874)
Vehicles	(2.590)	(2.001)	43	-	(4.548)
Right to use Securities-Real Estate	(79.395)	(68.911)	-	-	(148.306)
Assets held for resale	-	-	-	-	-
Other	(34.492)	(8.596)	2.108	-	(40.980)
Total accumulated depreciation	(119.316)	(82.317)	2.151	-	(199.482)
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Vehicles	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	450.137	38.275	(45)	84.277	572.644

13. Explanations on tangible assets

13.a Useful life or amortization rates used:

Tangible assets are reflected in the financial statements at their purchase cost, after deducting accumulated depreciation and permanent impairment provisions. Rental or administrative purposes or other unspecified purposes of assets that under construction will be amortized when they are ready to use.

13.b Amortization methods used:

The intangible assets are amortized principally on straight line basis which amortize the assets over their expected useful lives.

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

13. Explanations on intangible assets (Continued)

13.c Cost and accumulated amortization at the beginning and end of the period:

Current Period	Beginning of Current Period		End of Current Period	
	Gross Book Value	Accumulated Amortization	Gross Book Value	Accumulated Amortization
Software	21.870	(15.885)	46.300	(25.292)

Prior Period	Beginning of Prior Period		End of Prior Period	
	Gross Book Value	Accumulated Amortization	Gross Book Value	Accumulated Amortization
Software	18.995	(13.700)	21.870	(15.885)

13.d Movement of cost and accumulated amortization for the period:

Current Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Current Period
Cost:				
Software	21.870	24.433	(3)	46.300
Total Cost	21.870	24.433	(3)	46.300
Accumulated amortization:				
Software	(15.885)	(9.410)	3	(25.292)
Total Accumulated Amortization	(15.885)	(9.410)	3	(25.292)
Impairment provision:				
Software	-	-	-	-
Total Impairment provision	-	-	-	-
Net Book Value	5.985	15.023	-	21.008

Prior Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Current Period
Cost:				
Software	18.995	3.353	(478)	21.870
Total Cost	18.995	3.353	(478)	21.870
Accumulated amortization:				
Software	(13.700)	(2.663)	478	(15.885)
Total Accumulated Amortization	(13.700)	(2.663)	478	(15.885)
Impairment provision:				
Software	-	-	-	-
Total Impairment provision	-	-	-	-
Net Book Value	5.295	690	-	5.985

13.e The net book value, description and the remaining amortization period of any material individual intangible asset in the financial statements:

As at the reporting date, the Bank has no individual intangible asset which is material in the financial statements as a whole (December 31, 2024: None).

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

13. Explanations on intangible assets (Continued)

13.f Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition:

As at the reporting date, the Bank has no intangible assets acquired through government grants (December 31, 2024: None).

13.g The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition:

As at the reporting date, the Bank has no intangible assets acquired with government incentives (December 31, 2024: None).

13.h The book value of intangible assets that are pledged or restricted for use:

As at the reporting date, there are no intangible assets with restricted use or pledged (December 31, 2024: None).

13.i Amount of purchase commitments for intangible assets:

As at the reporting date, the Bank has no purchase commitments for intangible assets (December 31, 2024: None)

13.j Information on revalued intangible assets according to their types:

The Bank did not revalue its intangible assets as at the reporting date (December 31, 2024: None).

13.k Amount of total research and development expenses recorded in income statement within the period, if any:

The Bank has no research and development costs expensed in the current period (December 31, 2024: None)

13.l Information on goodwill:

As at the reporting date, the Bank has no goodwill (December 31, 2024: None).

13.m The carrying value of goodwill at beginning and end of the period, and movements within the period:

As at the reporting date, the Bank has no goodwill in the accompanying financial statements (December 31, 2024: None).

13.n The carrying value of negative goodwill at beginning and end of the period, and movements within the period:

As at the reporting date, the Bank has no negative goodwill in the accompanying financial statements (December 31, 2024: None).

14. Information on investment property

The Bank has no investment property (December 31, 2024: None).

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

15. Information on deferred tax assets

15.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax assets:

The Bank has computed deferred tax assets or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bascs.

Deferred tax asset:	Current Period	Prior Period
Loan commissions accrual adjustment	144.529	89.961
Other provisions	1.966.339	1.489.428
Employee benefit provision	50.640	30.725
Tangible fixed assets and economic life differences	1.217	5.732
Other (1)	90.612	83.518
Total Deferred Tax Asset	2.253.337	1.699.364
Deferred tax liability:		
Funds borrowed commissions accrual adjustment	(67.819)	(527.528)
Useful life differences of fixed assets	(402.725)	(166.321)
Securities	(1.084.891)	(645.501)
Other (2)	(100.487)	(94.907)
Loan commissions accrual adjustment	(1.655.922)	(1.434.257)
Employee benefit provision	597.415	265.107

(1) In the Other item, there is also a deferred tax asset of TL 12.571 related to right of use assets and TL 57.000 related to other provisions. (December 31, 2024: TL 30.344 right of use assets and TL 30.000 other provision tax assets)

(2) In the Other item, there is also a deferred tax liability of TL 19.255 related to hedge accounting (December 31, 2024: TL 31.832 tax liability).

	Current Period	Current Period
Deferred Tax as of January 1 Asset / (Liability) - Net	265.107	1.446.999
Deferred Tax (Loss) / Gain	549.924	(1.172.831)
Deferred Tax that is Realized Under Shareholder's Equity (1)	(217.616)	(9.061)
Deferred Tax Asset / (Liability) Net	597.415	265.107

15.b Temporary differences over which deferred tax assets are not computed and recorded in the balance sheet in prior periods, if so, their expiry date, losses and tax deductions and exceptions:

The Bank has no deductible temporary differences that are not included in calculation of deferred tax assets and not reflected to financial statements in prior periods. (December 31, 2024: None)

15.c Allowance for deferred tax and deferred tax assets from reversal of allowance:

As of the reporting date, the Bank has no allowance for deferred tax and deferred tax liability from reversal of allowance (December 31, 2024: None).

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (Continued)

16. Explanation on assets held for sale

As of the balance sheet date, the Bank has no fixed asset transactions held for sale or discontinued operations (31 December 2024: None).

17. Information about other assets

17.a Other assets which exceed 10% of the balance sheet total and breakdown of these which constitute at least 20% of grand total:

Other assets do not exceed 10% of total assets, excluding off-balance sheet commitments (December 31, 2024: None).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities

1. Information of maturity structure of deposits

1.a Maturity structure of deposits:

The Bank is not authorized to accept deposits.

1.b Information on saving deposits under the guarantee of saving deposit insurance fund and exceeding the limit of deposit insurance fund:

The Bank is not authorized to accept deposits.

1.c Information on the scope whether the Bank with a foreign head office suit saving deposit insurance of the related country:

The Bank is not authorized to accept deposits.

1.d Saving deposits which are not under the guarantee of deposit insurance fund:

The Bank is not authorized to accept deposits.

2. Negative differences table related to derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities (1)				
Forward Transactions	172.702	27.489	3.101	486
Swap Transactions	172.211	726.644	157.686	719.121
Futures Transactions	-	-	-	-
Options	-	952	-	24
Other	-	-	-	-
Total	344.913	755.085	160.787	719.631

(1) Derivative financial liabilities for hedging purposes amounting to TL 561.921 TL (December 31, 2024: 417.848 TL), were presented at "Derivative Financial Liabilities".

3. Information on banks and other financial institutions

3.a General Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	-	304.158	19.000	-
From Foreign Banks, Institutions and Funds	2.726.682	190.587.525	-	123.981.589
Total	2.726.682	190.891.683	19.000	123.981.589

3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	2.726.682	50.077	19.000	-
Medium and long-term	-	190.841.606	-	123.981.589
Total	2.726.682	190.891.683	19.000	123.981.589

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities

3. Information on banks and other financial institutions (Continued)

3.c Information on marketable securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Nominal	-	58.883.496	-	50.565.893
Cost	-	58.659.696	-	50.370.730
Book Value	-	60.593.749	-	51.561.928

As of December 31, 2025, the details of the bonds issued by the Bank, which have not yet reached their maturity date, are as follows:

Date of Issuance	Maturity Date	Currency Type	Nominal Amount	Interest Rate	Coupon Payment Frequency
14/01/2021	14/01/2026	USD	350.000.000	5,88%	6 months
19/09/2023	19/10/2028	USD	300.000.000	9,38%	6 months
17/10/2024	17/10/2029	USD	350.000.000	7,13%	6 months
14/01/2025	16/01/2026	USD	10.000.000	5,30%	-
15/01/2025	19/01/2026	USD	20.000.000	5,60%	-
02/07/2025	02/07/2030	USD	350.000.000	7,38%	6 months

3.d Additional information about the concentrated areas of liabilities:

Under normal banking operations, the Bank provided funds under repurchase agreements and funds borrowed. Fund resources of the Bank particularly consist of foreign FC funds borrowed and FC and TL repurchase transactions. Information relating to funds provided under repurchase agreements is shown in the table below:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds From Repurchase Agreements Transactions (1)				
From Domestic Transactions	990.467	828.672	1.961.247	1.319.277
Financial institutions and organizations	630.171	2.524	1.551.928	-
Other institutions and organizations	360.202	826.148	409.144	1.319.277
Real persons	94	-	175	-
From Foreign Transactions	-	4.213.596	-	-
Financial institutions and organizations	-	4.213.596	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	990.467	5.042.268	1.961.247	1.319.277

(1) The details of Interbank Money Markets Debts are not included in this table. No Debts to Interbank Money Markets during the period 31 December 2025 (December 31, 2024: None).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

4. Other liabilities which exceed 10% of the balance sheet total and the breakdown of these which constitute at least 20% of grand total

There are no other liabilities, which exceed 10% of the balance sheet total (December 31, 2024: None).

5. Information on financial lease obligations (net)

5.a Explanations on finance lease payables:

As of the balance sheet date, 341 computers are the subject of financial leasing transactions. In the current period, the Bank has TL 11.384 liabilities related to financial leasing transactions (December 31, 2024: TL 5.019).

5.b Explanations regarding operational leases:

As of the reporting date, the Bank's 2 head office buildings, 1 branch, 8 cars, 458 phones and 99 computers are subject to operational leasing. The Bank has no liability for operational leases in the current period (December 31, 2024: 2 head office buildings, 1 branch, 11 cars and 442 phones and 127 computers under operational leasing). In the current period, the Bank has lease liability with TFRS 16 amounting to TL 182.292 related to operational lease transactions (December 31, 2024: TL 242.736)

5.c Explanations on the lessor and lessee in sales and lease back transactions, agreement conditions, and major agreement terms:

The Bank has no sale and lease back transactions as of the reporting date (December 31, 2024: None)

6. Negative differences on derivative financial instruments held for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (1)	-	561.921	-	417.848
Cash Flow Hedge	-	-	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	-	561.921	-	417.848

(1) Derivative financial liabilities for hedging purposes were presented at "Derivative Financial Liabilities" line.

7. Explanations on provisions

7.a Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

The Bank has no foreign exchange losses on the foreign currency-indexed loans. (December 31, 2024: None).

7.b Third stage expected loss provisions on non-compensated and non-cash loans or expected losses on non-cash loans:

As of the reporting date, the Bank's third stage expected loss provisions provided for indemnified non cash loans amounts to TL 6.545 (December 31, 2024: TL 4.153). The Bank has an expected loss provision amounting to TL 146.499 "for non-cash loans (December 31, 2024: TL 113.417).

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

7. Explanations on provisions

7.c Information on other provision:

7.c.1 Free provision for possible risks:

Free provision amounting to TL 1.100.000 provided by the Bank management in the current period for possible results of the circumstances which may arise from possible changes in the economy and market TL 950.000 of this amount has been allocated in the current period (31 December 2024: TL 2.050.000).

7.c.2 Information on employee termination benefits and unused vacation accrual

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in the Turkish Accounting Standard No: 19 and reflected the calculated amount to the financial statements.

The following actuarial assumptions were used in calculating total liabilities.

	Current Period (%)	Prior Period (%)
Real Discount Rate	3,92	3,98
Nominal Discount Rate	26,78	26,70
Inflation Rate	22,00	21,85

As of December 31, 2025, employee termination benefits are amounting TL 95.080 reflected in financial statements (December 31, 2024: TL 69.239). As of December 31, 2025, the Bank has provided a reserve for unused vacation amounting to TL 73.320 (December 31, 2024: TL 33.178). This balance is classified under reserve for employee benefits in the financial statements.

Actuarial gain amount of TL 955 is consisted after January 1, 2025, are recognized under equity in accordance with revised TAS 19 standard (December 31, 2024: TL 48.113 actuarial gain)

Liabilities on pension rights

As explained on Section Three, Accounting Policies, XV. Explanations on Liabilities Regarding Employee Benefits as of December 31, 2025 the Bank has no obligations regarding pension rights (December 31, 2024: None).

Liabilities for pension funds established in accordance with Social Security Institution

As of December 31, 2025 None (December 31, 2024: None).

Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees

The Bank’s present value of the liabilities of TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı fund, subject to the transfer to the Social Security Institution of the Pension Fund as of December 31, 2025 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per actuarial report dated January 23, 2026, there is no need for technical or actual deficit to book provision as of December 31, 2025.

In this context, taking into account the legal provisions explained in Section 3, Article XVI, “Obligations Regarding Employee Rights,” for the Fund’s primary obligations related to the transfer, the Bank has no liability as of December 31, 2025, for other social rights and payments, as well as health benefits provided to employees, that are included in the foundation deed and are outside the scope of the primary obligations related to the transfer.

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

7. Explanations on provisions

7.c Information on other provision:

7.c.2 Information on employee termination benefits and unused vacation accrual

Liabilities on pension rights

According to the technical balance sheet reports prepared within the framework of Law No. 5754 published in the Official Gazette No. 26870 dated May 8, 2008 and using the specified rate of 9,80% technical interest, it was reported that there was no technical deficit for the Fund as of 31 December 2025 and 31 December 2024.

The Bank’s liability as of the balance sheet date regarding the benefits to be transferred to the Social Security Institution is the estimated payment amount that will be required to be made during the transfer to the Social Security Institution, and the actuarial parameters and results used in measuring this amount reflect the provisions of Law No. 5754 published in the Official Gazette No. 26870 dated May 8, 2008 regarding the retirement and health benefits to be transferred to the Social Security Institution (9,80% real discount rate, etc.).

In calculating the liability amount for transferable benefits, largely fixed and specific assumptions are used within the framework of the New Law. However, the final amount of liability that the Bank will incur when the transfer is made may vary depending on factors such as the number of participants and the rate of separation, especially the discount rate, inflation and wage increases.

	Current Period	Prior Period
Existence of the Foundation*	365.529	312.255
Employee Contributions	4.503.095	2.725.217
Total Assets	4.868.624	3.037.472
Total Cash Values of Pensions	3.671.223	2.539.967
Total Cash Values of Management Expenses	39.968	27.619
Total Cash Value of Health Benefits	325.592	221.942
Total Liability	4.036.783	2.789.528
Actual and Technical Surplus Amount	831.841	247.944

* The fair values of the assets have been taken into consideration.

According to the relevant Actuarial Report, the Fund’s surplus is TL 831.841 as of December 31, 2025. (December 31, 2024: TL 247.944).

In the “2. Economic Assumptions” section of Annex-5 of the Circular on Actuarial Audit of Institutions Making Commitments for Retirement (2022/18) which includes the title “Points to be Considered in the Selection of Assumptions”, “9,8% real interest rate has been taken as the basis as the discount and return rate for foundations providing services within the scope of the temporary 20th article of the Social Insurance and General Health Insurance Law No. 5510.

The "Prime-Based Ceiling Wage Increase" is determined based on the "Prime-Based Ceiling Wage" set by the Social Security Institution (SGK). Increases in the earnings of contributing members and ceiling wages are assumed to reflect a real increase above inflation, considering past trends.

According to Article 55 of Law No. 5510, it is foreseen that the inflation rate in the six-month period of the year will be used as an increase in the next six-month period for retirement pensions. It is assumed that the increase in the obligation in the payments will be made to the retirement pensions according to the 6-month CPI and that the increase in the payments for the Foundation will be at the annual CPI rate.

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

7. Explanations on provisions (Continued)

7.c Information on other provision (Continued)

7.c.2 Information on employee termination benefits and unused vacation accrual (continued)

In line with the actuarial assumptions used in calculating fund liabilities, and taking into account the regulation published in the Official Gazette dated December 19, 2025, and numbered 33112, the ceiling for monthly earnings subject to premiums has been increased from 7.5 times the minimum wage to 9 times the minimum wage, and the employer’s long-term insurance contribution rate has been raised from 11% to 12%.

7.c.3 Explanations on litigation

As of December 31, 2025, litigation is amounting TL 190.000 reflected in financial statements (December 31, 2024: TL 100.000)

7.c.4 If other provisions exceed 10% of total provisions, the name and amount of sub-accounts:

There are no additional provisions beyond those described above (December 31, 2024: None).

8. Explanations on taxes payable

8.a Explanations on current taxes payable:

8.a.1 Explanations on taxes payable

	Current Period		Prior Period	
	TL	FC	TL	FC
Corporate Taxes and Deferred Taxes				
Corporate Tax Payable	238.143	-	281.136	-
Deferred Tax Liability	-	-	-	-
Total	238.143	-	281.136	-

8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	238.143	281.136
Taxation of Securities	3.547	6.406
Property Tax	-	-
Banking and Insurance Transaction Tax (BITT)	43.423	43.331
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	8.964	7.373
Other	48.225	28.906
Total	342.302	367.152

8.a.3 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	-	-
Social Security Premiums-Employer	-	-
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	743	538
Unemployment Insurance-Employer	1.484	1.075
Total	-	-
Total	2.227	1.613

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

8.b Information on deferred taxes liabilities:

As at the reporting date, the Bank has no deferred tax liability (December 31, 2024: None)

9. Explanations on liabilities regarding assets held for sale

None (December 31, 2024: None).

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

As of March 21, 2024, the Bank has provided a sustainable subordinated loan with a nominal amount of USD 300 million and a redemption date of March 21, 2029, with a coupon payment every 6 months.

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	13.142.591	-	10.800.864
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	13.142.591	-	10.800.864
Debt Instruments Subject to Tier II Equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	13.142.591	-	10.800.864

11. Explanations on shareholders’ equity

11.a Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

11.c Information on share capital increases and their sources; other information on increased capital shares in current period:

In line with the decision taken at the Ordinary General Assembly held on March 24, 2025, the Bank does not have any capital increase during the current period.

In line with the decision taken at the Ordinary General Assembly held on March 28, 2024, the Bank does not have any capital increase during the current period.

11.d Information on share capital increases from capital reserves:

None (December 31, 2024: None).

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

- II. Explanations and disclosures related to the liabilities (Continued)
11. Explanations on shareholders' equity (Continued)

11.e Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments for its associates in the last fiscal year and at the end of the following period. (December 31, 2024: None)

11.f Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The prior period income, profitability and liquidity of the Bank and their trends in the successive periods are followed by Budget Planning Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses.

The Bank operations are profitable, and the Bank retains a major part of its profit capital reserves within the shareholders equity.

11.g Information on preferred shares which represent the capital

There are no privileges granted to the Bank's shares representing the capital (December 31, 2024: None).

11.h Information on marketable securities value increase funds:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control	3.662.172	-	2.864.916	-
Financial Assets at Fair Value Through Profit or Loss	1.770.779	499.311	1.121.437	197.133
Valuation Differences	1.050.474	499.311	663.230	197.133
Foreign Exchange Difference	720.305	-	458.207	-
Total	5.432.951	499.311	3.986.353	197.133

11.i Information on legal reserves:

	Current Period	Prior Period
First legal reserve	645.497	645.497
Second legal reserve	-	-
Other legal reserves appropriated in accordance with special legislation	-	-
Total	645.497	645.497

11.j Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	24.429.681	14.329.918
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange differences	-	-
Total	24.429.681	14.329.918

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items

1. Explanation on off-balance sheet liabilities

1.a Types and amount of irrevocable loan commitments:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Commitments for Forward Purchase and Sales of Assets	4.829.518				848.301			
Commitments for Stock Brokerage Purchase and Sales	36.377				254.255			
Commitments for Letter of Credit	517.491				574.672			
Capital commitments for subsidiaries and associates (1)	152.834				142.284			
Other	88.116				39.897			
Total	5.624.336				1.859.409			

(1) The Bank, the European Investment Fund, to be established by Turkish Growth and Innovation Fund (TGIF) purchase of shares of the fund established under the name situated remaining amount that commitment and capital participation commitment regarding the cash capital increase of TSKB Sürdürülebilirlik A.Ş.

1.b Possible losses and commitments related to off-balance sheet items including items listed below:

1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:

As of the reporting date, total letters of credit, surety and acceptances amount to TL 19.115.926 (December 31, 2024: TL 12.968.450).

1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:

As of the reporting date, total letters of guarantee given by the Bank is TL 14.986.991 (December 31.2024: TL 8.626.890).

1.c.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against obtaining cash loans	10.763.015	4.520.928
With maturity of one year or less than one year	-	1.402.661
With maturity of more than one year	10.763.015	3.118.267
Other non-cash loans	23.339.902	17.074.412
Total	34.102.917	21.595.340

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items

1. Explanations and disclosures related to the off-balance sheet items

1.c.2 Information on sectoral risk concentration of non cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	11.116	1	-	-	-	-	-	-
Farming and stockbreeding	11.116	1	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	1.303.012	89	30.000.504	92	3.194.592	95	16.252.567	89
Mining	765	-	45.059	-	4.552	-	1.292.433	7
Manufacturing Industry	109.348	7	18.399.833	57	2.105.252	63	10.803.666	59
Electricity, Gas, Water	1.192.899	82	11.555.612	35	1.084.788	32	4.156.468	23
Construction	819	-	21.335	-	1.972	-	18.027	-
Services	133.164	9	1.806.322	6	134.309	4	1.430.096	8
Wholesale and Retail Trade	-	-	99.552	-	-	-	657	-
Hotel, Food and Beverage Services	-	-	1.706.770	6	-	-	-	-
Transportation and Communication	1.138	-	-	-	1.138	-	1.402.660	8
Financial Institutions	131.096	9	-	-	131.096	4	26.779	-
Real Asset and Leasing Services	930	-	-	-	2.075	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	19.550	1	807.095	2	19.550	1	544.227	3
Total	1.467.661	100	32.635.256	100	3.350.423	100	18.244.917	100

1.c.3 Information on non cash loans classified under Group I and Group II:

	Group I				Group II			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	1.441.386	32.573.730	3.323.785	18.226.233	5.168	61.526	18.331	18.684
Letters of Guarantee (1)	1.441.386	13.497.995	2.791.734	5.808.518	5.168	21.335	18.331	-
Bank Acceptances	-	546.172	-	131.339	-	-	-	-
Letters of Credit	-	18.529.563	532.051	12.286.376	-	40.191	-	18.684
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-

(1) The letter of guarantee followed in stage III is respectively amounting to TL 21.107 (December 31, 2024: III, V, respectively amounting to TL 11 and TL 8.296).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items (Continued)

2. Explanation related to derivative financial instruments

As of December 31, 2025, the Bank's breakdown of term foreign exchange, money and interest swap transactions are as follows in foreign currency and TL denominated equivalents.

Current Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Futures Buy	Futures Sell	Fair Value Hedge
TL	2.238.669	2.216.394	1.699.702	19.800.374	313.326	313.326	-	-	-
US Dollar	3.662.635	3.658.532	59.083.190	16.194.482	276.941	276.941	-	-	74.991.120
Euro	5.379.119	5.376.851	11.571.526	36.003.532	219.536	219.536	-	-	14.538.502
Other	15.347	15.391	242.510	242.505	-	-	-	-	-
Total	11.295.770	11.267.168	72.596.928	72.240.893	809.803	809.803	-	-	89.529.622

Prior Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Futures Buy	Futures Sell	Fair Value Hedge
TL	268.295	118.364	2.996.473	13.909.940	-	-	-	-	-
US Dollar	144.580	302.410	46.030.447	22.009.441	9.884	9.884	-	-	54.382.297
Euro	37.136	37.136	8.159.738	20.340.758	9.701	9.701	-	-	14.916.404
Other	1.641	1.584	859.826	861.222	-	-	-	-	-
Total	451.652	459.494	58.046.484	57.121.361	19.585	19.585	-	-	69.298.701

Derivative Financial Liabilities Held For Trading	Current Period			Prior Period		
	Fair Value Assets	Fair Value Liabilities	Notional Amount in Turkish Lira Equivalent	Fair Value Liabilities	Fair Value Assets	Notional Amount in Turkish Lira Equivalent
Swap Transactions	886.725	453.915	97.984.201	1.218.403	323.159	58.709.875
Interest Rate Swap Transactions	558.177	444.940	46.853.620	715.800	553.648	56.457.970
Forward Transactions	225.854	200.191	22.562.938	3.805	3.587	911.146
Option Transactions	952	952	1.619.606	24	24	39.170
Other	-	-	-	-	-	-
Total	1.671.708	1.099.998	169.020.365	1.938.032	880.418	116.118.161

Fair value hedge

In the year ended 31 December 2025, the Bank had hedging swap interest and money trading transactions with a nominal amount of TL 89.529.622 (December 31, 2024: TL 69.298.701).

Hedging from the cash-flow risk

As of December 31, 2025 there are no cash-flow hedging transactions (December 31, 2024: None).

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items (Continued)

3. Explanations on loan derivatives and risk exposures

The Bank has no risk of credit derivatives or incurred as a result of them (December 31, 2024: None).

4. Explanations on contingent liabilities and assets

There are 27 legal cases against the Bank which are amounting to TL 190.401 as of the reporting date (December 31, 2024: TL 156.631 - 29 legal cases).

According to Legal Department of the Bank, it is not expected that the other lawsuits against the Bank will have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

5. Custodian and intermediary services:

The Bank has not provided trading and safekeeping services in the name and account of real people, legal entities, funds, pension funds and other entities, which are presented in the statement of contingencies and commitments. The details of the securities taken as collateral are shown in the off-balance sheet accounts.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement

1. Information on interest income

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans (1)				
Short term loans	8.158	408.371	88.115	452.287
Medium- and long-term loans	4.853.506	15.113.165	3.501.172	12.720.066
Interest in non-performing loans	13.489	338.909	35.646	55.682
Premiums received from resource utilization support fund	-	-	-	-
Total	4.875.153	15.860.445	3.624.933	13.228.035

(1) Commission income from loans has been included to the interest on loans.

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey (1)	315	-	752	-
Domestic banks	18.066	97.891	25.231	57.565
Foreign banks	-	1.052	-	6.604
Branches and head office abroad	-	-	-	-
Total	18.381	98.943	25.983	64.169

(1) Interests given to the Turkish Lira and US Dollar portion of the CBRT Required Reserves, reserve options and unrestricted accounts have been presented under "The Central Bank of Turkey" line in the financial statements.

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit and Loss	56	-	4.333	-
Financial Assets at Fair Value Through Other Comprehensive Income	6.068.116	359.342	2.999.177	333.688
Financial Assets Measured at Amortized Cost	2.876.557	1.245.340	4.097.551	975.369
Total	8.944.729	1.604.682	7.101.061	1.309.057

As indicated in accounting policies, the bank evaluates its Consumer Price Indexed (CPI) government bonds which are in securities portfolio of the Bank base on reference index at date of issue and estimated CPI's. The estimated CPI's is updated when it seems necessary.

As of December 31, 2025, the valuation of the said securities was calculated using the October 2024-October 2025 annual actual index rate (32,87%). (December 31, 2024: 48.6%).

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

1. Information on interest income (Continued)

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	232.532	206.446

2. Information on interest expenses

2.a Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	733.232	2.950.836	562.104	2.589.054
The Central Bank of Turkey	-	-	-	-
Domestic banks	50.138	25.074	139.870	216.543
Foreign banks	683.094	2.925.762	422.234	2.372.511
Branches and head office abroad	-	-	-	-
Other financial institutions	230.980	5.367.609	-	4.760.930
Total (1)	964.212	8.318.445	562.104	7.349.984

(1) Commissions given to Banks and Other Institutions have been included to interest expense on funds borrowed.

2.b Information on interest expense to associates and subsidiaries:

The Bank has no interest expense to its associates and subsidiaries (December 31, 2024: None).

2.c Information on interest expense to securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued (1)	-	5.059.028	-	3.708.905

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.647	3.022
Other	-	3.841
Total	9.647	6.863

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

4. Information on net trading income (net)

	Current Period	Prior Period
Profit	20.240.210	42.853.984
Gains on capital market operations	647.499	171.068
Gains on derivative financial instruments (1)	6.607.344	7.483.655
Foreign exchange gains	12.985.367	35.199.261
Losses (-)	(20.718.342)	(44.928.784)
Losses on capital market operations	(28.723)	(36.436)
Losses on derivative financial instruments (1)	(19.136.207)	(8.930.738)
Foreign exchange losses	(1.553.412)	(35.961.610)

(1) Foreign exchange gain from derivative transactions amounting to TL 1.492.879 is presented in "Gains on derivative financial instruments" (December 31, 2024: TL 3.670.695), foreign exchange loss from derivative transactions amounting to TL (14.113.550) is presented in "Losses on derivative financial instruments" (December 31, 2024: TL (5.193.239)).

5. Explanation related to other operating income

	Current Period	Prior Period
Provisions Released	1.652.854	789.642
Gains on Sale of Assets	13.343	535
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	13.343	535
From Other Asset Sales	-	-
Other	1.410.631	98.066
Total	3.076.828	888.243

(1) Includes the cancellation of free reserves set aside for potential risks amounting to TL 950,000 as of the balance sheet date (31 December 2024: Not applicable.)

6. Expected credit loss of the Bank

	Current Period	Prior Period
Expected Credit Loss	4.273.651	561.045
12 Months Expected Credit Loss (Stage 1) (1)	125.423	(166.250)
Significant Increase in Credit Risk (Stage 2)	1.470.667	357.163
Non-performing Loans (Stage 3)	2.677.561	370.132
Marketable Securities Impairment Expenses	5.955	2.523
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.955	2.523
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other (1)	90.000	330.000
Total	4.369.606	893.568

(1) As of the balance sheet date, there is no free reserve expense released to the market for possible risks (31 December 2024: TL 300,000).

(2) Provision cancellations made from Stage 1 loan provisions in the relevant period are shown netted under the expected loss provisions and other provision expenses item.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

7. Information related to other operating expenses

	Current Period	Prior Period
Reserve for employee termination benefits	26.797	3.272
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	69.689	82.317
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	9.410	2.663
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	-	-
Depreciation expenses of assets for resale	-	-
Impairment expenses of assets held for sale	-	-
Other operating expenses	458.605	290.471
Leasing Expenses on TFRS 16 Exceptions	15.713	11.679
Maintenance expenses	6.809	4.334
Advertisement expenses	13.556	6.693
Other expenses (1)	422.527	267.765
Loss on sale of assets	-	-
Other (2)	316.475	245.040
Total	880.976	623.763

(1) Includes non-bank service expenses of TL 205.753, computer usage expenses of TL 71.560, and communication expenses of TL 40.629 (31 December 2024: Includes non-bank service expenses of TL 109.185, computer usage expenses of TL 59.215, and communication expenses of TL 30.400).

(2) Includes tax and duty expenses excluding corporate tax in the amount of TL 112.113; permit provisions expenses in the amount of TL 40.542 (31 December 2024: Includes tax and duty expenses excluding corporate tax in the amount of TL 15.909).

8. Information on tax provision for continued and discontinued

Income items for the period ending on 31 December 2025 include net interest income of TL 17.070.354 (31 December 2024: TL 15.104.937), net fee and commission income of TL 426.440 (31 December 2024: TL 513.873) and other operating income of TL 3.076.828 (31 December 2024: TL 888.243).

The Bank's pre-tax profit as of December 31, 2025 increased by 8,35% compared to the previous period's pre-tax profit. The Bank's net interest income increased by 13,01% compared to the previous period.

9. Explanations on net profit/loss from continued and discontinued operations

9.a Information on current tax charge or benefit and deferred tax charge or benefit:

The Bank has amounting to TL 3.988.859 current tax expense for the period (December 31, 2024: TL 2.371.538). Deferred tax income is TL 549.924 (December 31.2024: TL 1.172.831)

9.b Information related to deferred tax benefit or charge on temporary differences:

Deferred tax income calculated on temporary differences is TL 549.924 (December 31, 2024: TL 1.172.831 income).

9.c Information related to deferred tax benefit / charge on temporary differences, losses, tax deductions and exceptions:

There is no deferred tax income or expense reflected in the income statement in terms of financial losses and tax deductions and exceptions. (December 31, 2024: None).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

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

As of December 31, 2025, the Bank's profit before tax has increased by 12,32% compared to the prior period.

11. Information on net profit/loss

11.a 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 the complete understanding of the Bank's performance for the period:

Due to ordinary banking transactions, the Bank received interest income of 34.912.512 interest expenses of TL, 17.842.158 net fee and commission income of TL 426.440 (December 31, 2024: interest income of TL 28.643.380, interest expenses of TL 13.538.443, net fee and commission income of TL 513.873).

11.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:

There has no change in the accounting estimates and accordingly effect on the financial statement items.

11.c Minority share of profit and loss:

There is no profit and loss attributable to minority interest in the accompanying unconsolidated financial statements (December 31, 2024: None)

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

None other than other operating expenses explained in Note IV.6, exceeds 10% of the income statement.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and disclosures related to the statement of changes in shareholders' equity

1. Informations related to capital

As of the balance sheet date, paid in capital is TL 2.800.000, legal reserves are TL 645.497, extraordinary legal reserves are TL 24.429.681.

2. Accumulated other comprehensive income or loss not reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss not reclassified through profit or loss includes valuation differences related to tangible assets, Defined Benefit Pension Plan related to Actuarial gains, related to valuation differences of the shares that are being classified fair value through other comprehensive income are being valued at market value in investment in associates, subsidiaries and entities which under equity method.

3. Accumulated other comprehensive income or loss reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss reclassified through profit or loss includes related to exchange differences of the shares that are classified fair value through other comprehensive income and related to revaluation differences of fair value through other comprehensive income.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to the statement of cash flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

In the current period, other income amounting to TL 2.022.484 consists of gain on sale of assets and non-interest income (December 31, 2024: TL 632.411 gain on sale of assets, and non-interest income).

Other captions in changes in assets and liabilities from banking operations amounting to (5.520.464) TL (December 31, 202: TL 1.402.130 consists of other items such as derivative financial transaction losses, severance pay provision and depreciation expenses, excluding taxes paid, other operating expenses, fees and commissions, and foreign exchange profit/loss.

In the current period, net increase/decrease item in other assets amounting to TL (4.173.550) (December 31, 2024: TL (2.490.811)) consists of change in miscellaneous receivables, reserve requirement and other assets item.

In the current period, net increase/decrease in other assets amounting to TL 2.716.414 (December 31, 2024: TL 1.361.768), consists of change in miscellaneous receivables, reserve requirement and other assets item.

In the current period, the effect of changes in foreign currency exchange rates on cash and cash equivalents has been realized amounting to TL 611.431 (December 31, 2024: TL 386.160)

2. Information about cash flows from acquisition of associates, subsidiaries and other investments

In the current period, the Bank invested TL 70.795 TL in securities and real estate and TL 24.433 in intangible assets. In the current period, the Bank contributed to the capital of its subsidiaries TL 200,000 in cash.

In the prior period, the Bank invested TL 18.600 of movable and immovable property and TL 3.353 of intangible assets. In the prior period, the Bank did not contribute to the capital of its subsidiaries in cash.

Information about disposal of associates, subsidiaries, and other investments

In the current period, the Bank has generated a cash inflow of TL 17.075 on sale of movable fixed assets and properties (December 31, 2024: TL 581).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to the statement of cash flows (Continued)

3. Information on cash and cash equivalents at the end of the period

Information on cash and cash equivalents at the beginning of the period:

	Beginning of the Current Period	Beginning of the Prior Period
Cash	8.117	45.224
Cash and Cash Deposit	-	-
Central Bank of Turkey and other	8.117	45.224
Cash Equivalents	9.543.196	12.059.349
Demand Deposit Banks and Term Deposits up to 3 Months	7.675.696	4.764.578
Money Market Placements	1.867.500	7.294.771
Total	9.551.313	12.104.573

Information on cash and cash equivalents at the end of the period:

	End of the Current Period	End of the Prior Period
Cash	9.750	8.117
Cash and Cash Deposit	-	-
Central Bank of Turkey and other	9.750	8.117
Cash Equivalents	18.003.904	9.543.196
Demand Deposit Banks and Term Deposits up to 3 Months	8.440.395	7.675.696
Money Market Placements	9.563.509	1.867.500
Total	18.013.654	9.551.313

4. Amount of cash and cash equivalents restricted for the usage of the Bank and the shareholders by legal limitations and other reasons

Reserves amounting to TL 5.693.387 (December 31, 2024: TL 2.872.308) in Turkish Republic Central Bank represent Turkish Lira, foreign currency requirements of the Bank.

5. Additional information related to financial position and liquidity of the Bank

5.a Any unused financial borrowing facility which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities:

There are not any unused financial borrowing facilities which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities.

5.b Apart from the cash flows needed to run ordinary operations of the Bank, total cash flows that shows the increase in the operation capacity of the Bank:

Under current economic conditions, the cash flows are followed daily and cash flows showing the increase in the capacity of operations of the Bank are investigated.

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations on the risk group of the Bank

1. Information on the volume of transactions related to the Bank’s own risk group, outstanding loan and deposit transactions and income and expenses of the period

1.a Current Period:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	2.197.707	2.077	307.580	-	5.100.647	347.083
Balance at End of Period	2.020.814	932	124.490	-	7.872.144	7.598.237
Interest and Commission Income	227.061	5.471	16.451	-	556.570	56.374

1.b Prior Period:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	2.325.017	2	597.442	-	2.143.440	402.170
Balance at End of Period	2.197.707	2.077	307.580	-	5.100.647	347.083
Interest and Commission Income	200.772	5.690	46.082	-	406.037	5.741

1.c Information on deposit held by Bank’s own risk group:

The Bank is not authorized to accept deposits.

2. Information on forward, option and other similar agreements made with Bank’s own risk group

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	982.300	1.114.465	-	-	-	-
End of the Period	615.491	982.300	-	-	-	-
Total Profit / Loss (1)	(15.882)	(22.914)	-	-	136	(3.987)
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss (1)	-	-	-	-	-	-

(1) Prior Period includes information about December 31, 2024.

3. Total salaries and similar benefits provided to the key management personnel

Benefits provided to the key management personnel in the current period amount to TL 194.018 (December 31, 2024: TL 133.598).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Bank:

1. Domestic and foreign branches and representative offices

	Number	Number of Employees	Country of Incorporation	Total Asset	Statutory Share Capital
Domestic branches	1	483			
Foreign representations	-	-			
Foreign branches	-	-		-	-
Off-shore banking region branches	-	-		-	-

2. Explanation on opening, closing of a branch/agency of the Bank or changing its organizational structure significantly

In the current year, the Bank has not opened any branch or agency and there is no significant change in the organization structure of the Bank’s operating branches.

In the prior period, the Bank has not opened any branch or agency and there is no significant change in the organization structure of the Bank’s operating branches.

SECTION SIX

OTHER EXPLANATIONS

I. Other explanations related to operations of the Bank

1.a Brief information related to ratings carried out by international rating firms:

FITCH RATINGS

Long-term Maturity Foreign Currency (issuer)	BB-
Long-term Maturity Foreign Currency Outlook (issuer)	Positive
Short-term Maturity Foreign Currency (issuer)	B
Long-term Maturity National Currency (issuer)	BB-
Long-term Maturity National Currency Outlook (issuer)	Positive
Short-term Maturity National Currency (issuer)	B
State Support Note	bb-
National Note	AA
National Note Outlook	Stable
Financial Capacity Note	bb-

International credit rating agency Fitch Ratings updated the Bank’s credit ratings on January 28 2026.

MOODY’S

Reference Credit Rating Note	b1
Foreign Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Domestic Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Unsecured Debt-Foreign Currency	
Long-term Maturity	Ba3
Outlook	Stable

Information above represents updated information by Moody’s as of July 30, 2025

1.b Information on corporate governance rating of the Bank:

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with Capital Markets Board license, updated the Bank’s corporate governance rating of 96,68% (10 over 9,67) as of October 17, 2025. Ratings under the main topics of weighted Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors are declared as; 9,51 (Weight: 25%), 9,87 (Weight: 25%), 9,89 (Weight: 15%), 9,54 (Weight 35%) over 10 respectively.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements
For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION SIX
OTHER EXPLANATIONS (Continued)

I.c **Fee information regarding the services received by the Bank from an Independent Auditor and the Other Independent Audit Firms:**

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor and other independent audit firms, on the amounts excluding VAT, is as follows given in the table. These fees for services rendered to the Bank and its subsidiaries are included.

	Current Period	Prior Period
Independent audit fee for the reporting period (*)	10.318	8.029
Fees for tax advisory services	1.893	1.372
Fees for other assurance services	20.322	16.722
Fees for services other than independent audit	155	113
Total	32.688	26.236

(*) The Group's consolidated audit fees are shown.

II. **Other explanations related to the events after the reporting date**
None.

SECTION SEVEN
AUDITORS' REPORT

- I. **Explanations on the auditors' report**
The unconsolidated financial statements for the period ended December 31, 2025 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's audit report dated February 3, 2026 is presented preceding the financial statements.
- II. **Explanations and notes prepared by independent auditors**
There are no other explanations and notes not expressed in sections above related with the Bank's operations.

Türkiye Sınai Kalkınma Bankası
Anonim Şirketi and Its Subsidiaries

Independent Auditor's Audit Report, Consolidated Financial
Statements and Notes for the Year Ended
December 31, 2025

(Convenience translation of publicly announced consolidated
year-end financial statements and report originally issued in
Turkish, See Note I. of Section three)



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 Türkiye Sınai Kalkınma Bankası Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye Sınai Kalkınma Bankası Anonim Şirketi (“the Bank”) and its subsidiaries (collectively referred to as the “Group”), which comprise the statement of consolidated balance sheet as at 31 December 2025, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the Basis for Qualified Opinion section below, 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 Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II 7.c.1 a of Explanations and Notes to the Consolidated Financial Statements as at 31 December 2025 include a free provision amounting to TL 1.100.000 thousand, which consists of TL 2.050.000 thousand provided in prior years and TL 950.000 thousand reversed in the current year by the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 1.100.000 thousand, net profit and equity would have decreased by TL 950.000 thousand and increased by TL 1.100.000 thousand, respectively as at 31 December 2025.

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. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.



Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans and receivables	
The Group has total provision for expected credit losses amounting to TL 10.684.298thousand in respect to total loans amounting to TL 239.299.385 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2025. Explanations and notes regarding expected credit losses on loans are represented in Notes VIII of Section Three, IX of Section Three, II of Section Four, I.5 of Section Five of the accompanying consolidated financial statements as at 31 December 2025.	Within our audit procedures, we have assessed policies, procedures and principles established by the Group management with respect to classifications of loans as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles.
The Group recognizes provision for expected credit losses in accordance with “TFRS 9 Financial Instruments” requirements in line with the “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided” as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost.	Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations.
Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans as in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and the other 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.	To assess whether the Group's classification of loans, impairment identification, and the timely and adequate recognition of impairment allowances are in full compliance with applicable regulatory requirements, we have performed loan review procedures based on a selected sample.
	For a selected sample, we have evaluated the appropriateness expected credit losses provided for loans based on individual assessment as per the Group's policies by using supportable data and through discussions with the Group's management.
	We reviewed the consistency and adequacy of disclosures related to loan impairment in the Group's financial statements.

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations	
Explanations regarding the TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı (“Fund”) and the recognised provision are disclosed in Note II.7.c.2 of Section Five the accompanying consolidated financial statements prepared as of 31 December 2025.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Group's management to the external actuarial firm for the calculation of the Fund's obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet.
TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı (“Fund”) is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Group's management uses external actuaries for the purpose of valuations of Pension Fund obligations.	We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations.
	With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations.
	Additionally, we reviewed the disclosures related to pension fund obligations in the Group's consolidated financial statements.



Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations Explanations regarding the TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") and the recognised provision are disclosed in Note II.7.c.2 of Section Five the accompanying consolidated financial statements prepared as of 31 December 2025. TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Group's management uses external actuaries for the purpose of valuations of Pension Fund obligations. During our audit, above mentioned significant judgement, assumption and estimates used in the calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact of any differentiation in these assumptions taken into consideration, and this area is considered as key audit matter.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Group's management to the external actuarial firm for the calculation of the Fund's obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Group's consolidated financial statements.

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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



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

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

- 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.
- 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.

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 3 February 2026

THE CONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2025

Address : Meclisi Mebusan Cad. No:81 Fındıklı /İstanbul
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The consolidated financial report for the year ended includes the following sections in accordance with “Communiqué on the Financial Statements and Related Explanations and Notes that will be made 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 THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The subsidiaries, associates and joint ventures, financial statements of which are consolidated within the framework of the reporting package, are as follows.

Subsidiaries	Associates
Yatırım Finansman Menkul Değerler A.Ş.	İş Finansal Kiralama A.Ş.
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.
	İş Faktoring A.Ş.

The accompanying consolidated financial statements and the explanatory footnotes and disclosures for the year end, unless otherwise indicated, are prepared in thousands of Turkish Lira (“TL”), in accordance with the Communiqué on Banks’ Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks’ records, and have been independently audited and presented as attached.

February 3, 2026

Hakan ARAN Chairman Of Board Members	Ozan UYAR Member of Board of Directors and General Manager	Tolga SERT Executive Vice President In Charge of Financial Reporting	Dilek PEKCAN MIŞE Head of Financial Control
Ece BÖRÜ Chairman of Audit Committee	Banu ALTUN Member of Audit Committee		

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

Name-Surname/Title : Dilek Pekcan Mişe / Head of Financial Reporting
Telephone Number : (212) 334 52 77

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TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION ONE
GENERAL INFORMATION

I. The Parent Bank’s incorporation date, beginning status, changes in the existing status

Türkiye Sınai Kalkınma Bankası A.Ş. (“The Parent Bank”) was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on 12 May 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on 12 May 1950.

According to the classification set out in the Banking Law No: 5411, the status of the Parent Bank is “Development and Investment Bank”. The Parent Bank does not have the license of “Accepting Deposit”. Since the establishment date of the Parent Bank, there is no change in its “Development and Investment Bank” status.

II. Explanations regarding the Parent Bank’s shareholding structure, shareholders holding directly or indirectly, collectively or individually, the managing and controlling power and changes in current year, if any and explanations on the controlling group of the Parent Bank

The parent company Türkiye İş Bankası A.Ş. has the authority of managing and controlling power of the Parent Bank directly or indirectly, alone or together with other shareholders. Shareholders of the Parent Bank are as follows:

Current Period Name Surname/Commercial Title	Share Capital	Share Rate(%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Grubu (*)	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezî Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	2.800.000	100,00	2.800.000	-

Prior Period Name Surname/Commercial Title	Share Capital	Share Rate(%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Grubu	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezî Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	2.800.000	100,00	2.800.000	-

(*) İş Bankası Group, which is the capital of the Bank, includes Türkiye İş Bankası A.Ş. (with a 47,68% share), Milli Reasürans Türk A.Ş. (with a 1,90% share), Anadolu Anonim Türk Sigorta Şirketi (with a 0,89% share) and Anadolu Hayat Emeklilik A.Ş. (with a 0,89% share).

The shares of the parent bank have been traded on Borsa İstanbul (BIST) since December 26, 1986. 51,37% of the shares belong to Türkiye İş Bankası Group, and 41,20% of the shares in actual circulation are traded on the BIST Star Market under the symbol "TSKB"

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

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

The Chairman and The Members of Board of Directors:

Name Surname	Title (1)
Hakan Aran	Chairman of the Board of Directors
Ece Börü (4)	Vice Chairman of the Board of Directors and Independent Member of the Board of Directors and Chairman of Audit Committee
Ozan Uyar	Member of the Board of Directors and General Manager
Murat Bilgiç (2) (3)	Member of the Board of Directors
Banu Altun	Independent Member of the Board of Directors and Member of Audit Committee
Murat Doğan	Member of the Board of Directors
Ş. Nuray Duran	Member of the Board of Directors
M. Sefa Pamuksuz	Independent Member of the Board of Directors
Mithat Rende	Member of the Board of Directors
Abdi Serdar Üstünsalih	Member of the Board of Directors
Cengiz Yavilioğlu	Member of the Board of Directors

General Manager and Vice Presidents

Name Surname	Title / Area of Responsibility
Ozan Uyar (2)	General Manager
Meral Murathan	Executive Vice President – Treasury, Financial Institutions and Investor Relations, Development Finance Institutions Relations, Development Finance Institutions, Climate Change and Sustainability Management
Hasan Hepkaya	Executive Vice President – Corporate Banking Sales, Project Finance, Corporate Banking Marketing, Credit Operations
Özlem Bağdatlı	Executive Vice President – Human Resources, Retirement and Supplementary Foundations, Corporate communication
Bilginç Tanağardı	Executive Vice President – Application Development, System Support and Operation, Enterprise Architecture and Process Management and Financial Affairs Management
Poyraz Koğacioğlu	Executive Vice President – Capital Markets, Mergers and Acquisitions, Corporate Finance
S. Hüseyin Gürel	Executive Vice President – Consulting Services Sales, Financial and Technical Consulting, Loan Allocation, Loan Structuring and Analysis, Engineering
Tolga Sert	Executive Vice President – Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control

- (1) The shares held by the above-mentioned people in the Bank are symbolic.
(2) Mr. Murat Bilgiç retired and stepped down from his position as of July 31, 2025, and, following the completion of the necessary legal applications and approvals, Mr. Ozan Uyar has assumed the role of Chief Executive Officer.
(3) Our Bank's Board Member Mrs. İlem Erdem, resigned from his position on August 29, 2025. Mr. Murat Bilgiç has been elected to the vacant Board of Directors position in accordance with Article 363 of the Turkish Commercial Code.
(4) At the meeting of our Bank’s Board of Directors on August 29, 2025, Ms. Ece Börü was elected to the Audit Committee.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

IV. Information about the persons and institutions that have qualified shares in the Parent Bank
Explanation about the people and institutions that have qualified shares control the Parent Bank’s capital directly or indirectly are described in General Information Section II.

V. Summary on the Parent Bank’s functions and areas of activity
Türkiye Sınai Kalkınma Bankası A.Ş. is the first private development and investment bank which was established by the Council of Ministers resolution number of 3/11203 established in 1950 with the support of World Bank, Government of Republic of Turkey, Central Bank of Republic of Turkey and commercial banks. As per the articles of association published in the Official Gazette on 2 June 1950, the aim of the Parent Bank is to support all private sector investments but mostly industrial sectors, to help domestic and foreign capital owners to finance the new firms and to help the improvement of Turkish capital markets. The Parent Bank is succeeding its aims by financing, consulting, giving technical support and financial intermediary services. The Parent Bank, which operates as a non-deposit accepting bank, played a major role on manufacturing and finance sectors in every phase of the economic development of Turkey. The Parent Bank started its journey in 1950 financing the private sector investments in Turkey and today it provides loans and project finance with the goal of sustainable development to corporations in different fields. As a leader in meeting the long term financing needs of the private sector, the Parent Bank also continues to offer solutions with respect to the newest needs and client demands.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods
Due to differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards (TAS), the non-financial subsidiaries and associates, TSKB Gayrimenkul Değerleme A.Ş., Terme Metal Sanayi ve Ticaret A.Ş., Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş., TSKB Sürdürülebilirlik Danışmanlığı A.Ş. and Anavarza Otelcilik Anonim Şirketi are not consolidated since they are not in scope of financial institutions according to related Communiqué. These non-financial investment in associates and subsidiaries are accounted by the equity method in the consolidated financial statements.

Türkiye Sınai Kalkınma Bankası A.Ş. and its financial institutions, Yatırım Finansman Menkul Değerler A.Ş.and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. are included in the accompanying consolidated financial statements by line by line consolidation method; İş Finansal Kiralama A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and İş Faktoring A.Ş. are included in the accompanying consolidated financial statements by equity method.

Financial institutions included in the consolidation are determined in accordance with “Communiqué on Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette dated 8 November 2006 numbered 26340. There are no unconsolidated partnership interests in banks and financial institutions where the Parent Bank owns 10% or more of its capital deducted from equity.

Yatırım Finansman Menkul Değerler A.Ş. :

Yatırım Finansman Menkul Değerler A.Ş. (“YF”) was established in 15 October 1976. The Company’s purpose is to perform capital market operations specified in the Company’s articles of association in accordance with the CMB and the related legislation. The Company participates in Yatırım Varlık Kiralama A.Ş., which was established for the purpose of issuing lease certificates, with a 100% share ratio. The share of Türkiye Sınai Kalkınma Bankası A.Ş. in Yatırım Finansman Menkul Değerler A.Ş. is 95,78%. The company’s headquarters is located at İstanbul/Turkey.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods (continued)
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. :
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (“TSKB GYO”) was established on 3 February 2006. Core business of the Company is real estate trust to construct and develop a portfolio of properties and make investment to capital market instruments linked to properties. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 88,61%. The company’s headquarters is located at İstanbul/Turkey.

İş Finansal Kiralama A.Ş. :
İş Finansal Kiralama A.Ş. (“İş Finansal Kiralama”) was established on 8 February 1988. The Company has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No 6361. The purpose of the Company is performing domestic and foreign financial leasing activities and all kind of rental (leasing) transactions within the framework of legislation. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 29,46%. The Company’s headquarters is located at İstanbul/Turkey.

İş Faktoring A.Ş. :
İş Faktoring A.Ş. (“İş Faktoring”), was incorporated in Turkey on 4 July 1993 and it has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No: 6361. The Company’s main operation is domestic and export factoring transactions. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 21,75%. The Company’s headquarters is located at İstanbul/Turkey.

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. :
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş (“İş Girişim”) started its venture capital operations by the decision of Capital Market Board dated 5 October 2000. The principal activity of the Company is to perform long-term investments to venture capital companies mainly established or to be established in Turkey, have development potential and require resource. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 17,69%. The Company’s headquarters is located at İstanbul/Turkey.

VII. The existing or potential, actual or legal obstacle on the transfer of shareholder’s equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities
There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiaries. The Parent Bank charge or pay cost of the services according to the service agreements done between the Parent Bank and its subsidiaries. Dividend distribution from shareholders’ equity is made according to related legal regulations.

VIII. Written policies of the Parent Bank related to compliance to publicly disclosed obligations of the Parent Bank and assessment of accuracy, frequency and compliance of mentioned disclosures
In the Parent Bank’s disclosure policy, which has been approved by the Board of Directors and is accessible on the Parent Bank’s corporate website, compliance with public disclosure obligations, the frequency of disclosures, and the tools and methods used for disclosure are explained.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Balance Sheet (Statement of Financial Position)
As of 31 December 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

		Current Period 31 December 2025			Prior Period 31 December 2024		
ASSETS		Section 5 Note I	TL	FC	Total	TL	FC
I.	FINANCIAL ASSETS (NET)		34.458.071	23.071.435	57.529.506	16.804.161	18.939.663
1.1	Cash and Cash Equivalents		10.133.811	14.456.065	24.589.876	2.050.475	16.680.524
1.1.1	Cash and Balances with Central Bank	(1)	474	5.702.663	5.703.137	772	2.879.653
1.1.2	Banks	(3)	296.522	8.763.049	9.059.571	98.215	7.805.658
1.1.3	Money Market Placements		9.840.648	-	9.840.648	1.952.629	-
1.1.4	Expected Credit Losses (-)		3.833	9.647	13.480	1.141	4.787
1.2	Financial Assets at Fair Value Through Profit or Loss	(2)	3.830.949	-	3.830.949	1.650.591	-
1.2.1	Government Debt Securities		-	-	-	-	-
1.2.2	Equity Instruments		194.125	-	194.125	146	-
1.2.3	Other Financial Assets		3.636.824	-	3.636.824	1.650.445	-
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	(4)	19.513.176	7.707.771	27.220.947	12.407.139	5.897.387
1.3.1	Government Debt Securities		18.295.242	6.495.688	24.790.930	11.611.019	5.005.611
1.3.2	Equity Instruments		810.399	1.212.083	2.022.482	245.704	891.776
1.3.3	Other Financial Assets		407.535	-	407.535	550.416	-
1.4	Derivative Financial Assets	(2)	980.135	907.599	1.887.734	695.956	2.361.752
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		980.135	907.599	1.887.734	695.956	2.361.752
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		25.608.210	231.536.063	257.144.273	23.629.643	161.790.627
2.1	Loans	(5)	20.133.103	219.166.282	239.299.385	17.250.232	151.616.350
2.2	Lease Receivables	(10)	-	1.148.738	1.148.738	-	417.553
2.3	Factoring Receivables		-	-	-	-	-
2.4	Other Financial Assets Measured at Amortized Cost	(6)	9.864.686	17.515.762	27.380.448	9.949.963	14.269.752
2.4.1	Government Debt Securities		9.864.686	17.515.762	27.380.448	9.949.963	14.269.752
2.4.2	Other Financial Assets		-	-	-	-	-
2.5	Expected Credit Losses (-)		4.389.579	6.294.719	10.684.298	3.570.552	4.513.028
III.	RELATED TO DISCONTINUED OPERATIONS (NET)	(16)	-	-	-	-	-
3.1	Held for Sale Purpose		-	-	-	-	-
3.2	Related to Discontinued Operations		-	-	-	-	-
IV.	EQUITY INVESTMENTS		5.741.905	-	5.741.905	4.361.542	-
4.1	Investments in Associates (Net)	(7)	5.508.367	-	5.508.367	4.201.492	-
4.1.1	Accounted Under Equity Method		5.508.367	-	5.508.367	4.201.492	-
4.1.2	Unconsolidated Associates		-	-	-	-	-
4.2	Subsidiaries (Net)	(8)	172.208	-	172.208	133.444	-
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		172.208	-	172.208	133.444	-
4.3	Entities under Common Control (Joint Venture) (Net)		61.330	-	61.330	26.606	-
4.3.1	Joint Ventures Valued Based on Equity Method		61.330	-	61.330	26.606	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(12)	4.255.952	-	4.255.952	3.156.735	-
VI.	INTANGIBLE ASSETS (Net)	(13)	26.892	-	26.892	8.223	-
6.1	Goodwill		1.005	-	1.005	1.005	-
6.2	Other		25.887	-	25.887	7.218	-
VII.	INVESTMENT PROPERTY (Net)	(14)	3.263.130	-	3.263.130	2.403.800	-
VIII.	CURRENT TAX ASSET		4.894	-	4.894	2.679	-
IX.	DEFERRED TAX ASSET	(15)	627.624	-	627.624	312.481	-
X.	OTHER ASSETS (Net)	(17)	5.411.836	287.506	5.699.342	5.974.711	144.717
TOTAL ASSETS			79.398.514	254.895.004	334.293.518	56.653.975	180.875.007

		Current Period 31 December 2025			Prior Period 31 December 2024		
LIABILITIES AND EQUITY		Section 5 Note II	TL	FC	Total	TL	FC
I.	DEPOSITS	(1)	-	-	-	-	-
II.	FUNDS BORROWED	(3)	2.726.682	190.891.683	193.618.365	20.916	123.981.589
III.	MONEY MARKET BALANCES		5.615.593	5.042.268	10.657.861	4.814.176	1.319.277
IV.	MARKETABLE SECURITIES ISSUED (Net)	(3)	-	60.593.749	60.593.749	1.950.424	51.561.928
4.1	Bills		-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	1.950.424	-
4.3	Bonds		-	60.593.749	60.593.749	-	51.561.928
V.	BORROWER FUNDS		32.001	978.219	1.010.220	30.945	652.954
5.1	Borrower Funds		32.001	978.219	1.010.220	30.945	652.954
5.2	Other		-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(2)	344.913	1.317.264	1.662.177	160.787	1.137.748
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		344.913	1.317.264	1.662.177	160.787	1.137.748
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-
VIII.	FACTORIZING LIABILITIES		-	-	-	-	-
IX.	LEASE LIABILITIES	(5)	84.274	-	84.274	41.552	-
X.	PROVISIONS	(7)	1.524.507	140.896	1.665.403	2.320.251	84.762
10.1	Restructuring Provisions		-	-	-	-	-
10.2	Reverse for Employee Benefits		205.316	-	205.316	125.428	-
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-
10.4	Other Provisions		1.319.191	140.896	1.460.087	2.194.823	84.762
XI.	CURRENT TAX LIABILITY	(8)	527.154	-	527.154	457.912	-
XII.	DEFERRED TAX LIABILITY	(8)	590.628	-	590.628	334.512	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	(10)	-	13.142.591	13.142.591	-	10.800.864
14.1	Loans		-	-	-	-	-
14.2	Other Debt Instruments		-	13.142.591	13.142.591	-	10.800.864
XV.	OTHER LIABILITIES		2.111.434	2.165.937	4.277.371	820.001	3.885.684
XVI.	SHAREHOLDERS' EQUITY		45.964.414	499.311	46.463.725	32.955.567	197.133
16.1	Paid-in capital	(11)	2.800.000	-	2.800.000	2.800.000	-
16.2	Capital Reserves		25.546	-	25.546	15.631	-
16.2.1	Share Premium		1.007	-	1.007	1.007	-
16.2.2	Share Cancellation Profits		-	-	-	-	-
16.2.3	Other Capital Reserves		24.539	-	24.539	14.624	-
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		5.123.626	336.295	5.459.921	4.159.403	230.008
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		929.853	163.016	1.092.869	381.975	(32.875)
16.5	Profit Reserves		24.900.972	-	24.900.972	14.793.249	-
16.5.1	Legal Reserves		661.745	-	661.745	664.389	-
16.5.2	Statute Reserves		75.641	-	75.641	75.641	-
16.5.3	Extraordinary Reserves		24.160.667	-	24.160.667	14.050.300	-
16.5.4	Other Profit Reserves		2.919	-	2.919	2.919	-
16.6	Profit Or Loss		11.409.231	-	11.409.231	10.228.073	-
16.6.1	Prior Years' Profit/Loss		85.514	-	85.514	6.091	-
16.6.2	Current Year Profit/Loss		11.323.717	-	11.323.717	10.221.982	-
16.7	Non-Controlling Interests		775.186	-	775.186	577.236	-
TOTAL LIABILITIES AND EQUITY			59.521.600	274.771.918	334.293.518	43.907.043	193.621.939

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Off-Balance Sheet
As of December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

Current Period 31 December 2025				Prior Period 31 December 2024			
	Section 5 Note III	TL	FC	Total	TL	FC	Total
OFF-BALANCE SHEET ACCOUNTS							
OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)							
A. I. GUARANTEES AND COLLATERALS	(1)	43,443,676	288,049,597	331,493,273	32,859,900	195,193,970	227,253,870
1.1 Letters of Guarantee		1,467,659	32,635,256	34,102,915	3,350,421	18,244,917	21,595,338
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		1,467,659	13,519,330	14,986,989	2,818,370	5,808,518	8,626,888
1.2 Bank Acceptances		-	546,172	546,172	-	131,339	131,339
1.2.1 Import Letter of Acceptance		-	546,172	546,172	-	131,339	131,339
1.2.2 Other Bank Acceptance		-	-	-	-	-	-
1.3 Letters of Credit		-	18,569,754	18,569,754	532,051	12,305,060	12,837,111
1.3.1 Documentary Letters of Credit		-	18,569,754	18,569,754	532,051	12,305,060	12,837,111
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issued Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	-	-	-	-	-
1.9 Other Contingencies		-	-	-	-	-	-
II. COMMITMENTS	(1)	15,296,874	23,213,729	38,510,603	11,372,107	8,648,292	20,020,399
2.1 Irrevocable Commitments		12,815,879	3,180,797	15,996,675	9,487,751	640,755	10,128,506
2.1.1 Forward Asset Purchase and Sale Commitments		1,809,591	2,939,927	4,729,518	389,727	458,574	848,301
2.1.2 Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	152,834	152,834	-	142,284	142,284
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Payment Commitment for Checks		-	-	-	-	-	-
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.10 Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.11 Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		10,026,280	88,111	11,014,401	9,395,024	39,897	9,434,921
2.2 Revocable Commitments		2,480,995	20,032,851	22,513,846	1,587,356	8,007,537	9,594,893
2.2.1 Revocable Loan Granting Commitments		2,480,995	20,032,851	22,513,846	1,587,356	8,007,537	9,594,893
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	26,679,143	232,200,612	258,879,755	17,337,372	168,300,761	185,638,133
3.1 Derivative Financial Instruments for Hedging Purposes		-	89,529,622	89,529,622	-	69,298,701	69,298,701
3.1.1 Fair Value Hedge		-	89,529,622	89,529,622	-	69,298,701	69,298,701
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2 Held for Trading Transactions		26,679,143	142,670,990	169,350,133	17,337,372	99,002,060	116,339,432
3.2.1 Forward Foreign Currency Buy/Sell Transactions		4,455,063	18,107,875	22,562,938	386,659	524,487	911,146
3.2.1.1 Forward Foreign Currency Transactions-Buy		2,238,669	9,087,101	11,295,770	268,295	183,357	451,652
3.2.1.2 Forward Foreign Currency Transactions-Sell		2,216,394	9,050,774	11,267,168	118,364	341,130	459,494
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rate		21,500,076	123,337,745	144,837,821	16,906,413	98,261,432	115,167,845
3.2.2.1 Foreign Currency Swap-Buy		809	49,160,129	49,170,118	853,917	28,963,582	29,817,499
3.2.2.2 Foreign Currency Swap-Sell		18,101,661	30,712,422	48,814,083	11,767,384	17,124,992	28,892,376
3.2.2.3 Interest Rate Swap-Buy		1,698,713	21,728,097	23,426,810	2,142,556	26,086,429	28,228,985
3.2.2.4 Interest Rate Swap-Sell		1,698,713	21,728,097	23,426,810	2,142,556	26,086,429	28,228,985
3.2.3 Foreign Currency, Interest Rate, and Securities Options		724,004	1,225,370	1,949,374	44,300	216,141	260,441
3.2.3.1 Foreign Currency Options-Buy		362,002	612,821	974,823	22,150	108,093	130,233
3.2.3.2 Foreign Currency Options-Sell		362,002	612,549	974,551	22,150	108,058	130,208
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES SECURITIES (IV+V+VI)		668,459,874	3,915,240,992	4,583,700,866	452,026,447	2,800,994,225	3,253,026,672
IV. ITEMS HELD IN CUSTODY		14,879,512	6,460,011	21,339,523	7,314,887	2,766,786	10,080,873
4.1 Customers' Securities Held		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	-	-	-	-	-
4.3 Checks Received for Collection		14,618,312	6,460,011	21,078,323	6,629,838	2,766,786	9,396,624
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Reserved for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		261,200	-	261,200	684,249	-	684,249
V. PLEDGES ITEMS		637,304,805	3,141,913,554	3,779,218,359	429,592,082	2,269,144,441	2,698,736,523
5.1 Marketable Securities		456,249	-	456,249	456,249	-	456,249
5.2 Guarantee Notes		16,306	2,906,224	2,922,530	195,268	2,372,071	2,567,339
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Real Estate		172,766,182	829,681,254	1,002,447,436	118,446,897	631,496,822	749,943,719
5.6 Other Pledged Items		464,066,068	2,309,326,076	2,773,392,144	310,493,668	1,635,275,548	1,945,769,216
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL OF EXCHANGE AND COLLATERALS		16,275,557	766,867,427	783,142,984	15,120,378	529,082,998	544,203,376
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		711,903,500	4,263,290,589	4,915,194,139	484,086,347	2,996,188,195	3,480,274,542

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Off-Profit and Loss
As of December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

Current Period January 1, 2025 – December 31, 2025				Prior Period January 1, 2024 – December 31, 2024		
			Note			
STATEMENT OF PROFIT OR LOSS						
I. INTEREST INCOME	(1)	37.142.909		30.331.870		
1.1 Interest on Loans		22.769.991		18.262.818		
1.2 Interest Received from Reserve Deposits		315		752		
1.3 Interest Received from Banks		147.429		228.913		
1.4 Interest Received from Money Market Placements		3.148.348		3.095.060		
1.5 Interest Received from Marketable Securities Portfolio		10.553.360		8.418.653		
1.5.1 Fair Value Through Profit or Loss		4.005		12.868		
1.5.2 Fair Value Through Other Comprehensive Income		6.427.458		3.332.865		
1.5.3 Measured at Amortized Cost		4.121.897		5.072.920		
1.6 Finance Lease Income		46.069		45.584		
1.7 Other Interest Income		477.397		200.090		
II. INTEREST EXPENSES (-)	(2)	19.282.262		14.476.771		
2.1 Interest on Deposits		-		-		
2.2 Interest on Funds Borrowed		9.304.256		7.996.312		
2.3 Interest on Money Market Borrowings		4.798.138		2.573.237		
2.4 Interest on Securities Issued		5.094.095		3.792.107		
2.5 Leasing Interest Expense		-		22.121		
2.6 Other Interest Expense		63.552		105.087		
III. NET INTEREST INCOME (I - II)		17.860.647		15.855.099		
IV. NET FEES AND COMMISSIONS INCOME / EXPENSES		832.651		819.727		
4.1 Fees and Commissions Received		990.966		945.844		
4.1.1 Non-cash Loans		288.078		204.190		
4.1.2 Other		702.888		741.654		
4.2 Fees and Commissions Paid (-)		158.315		126.117		
4.2.1 Non-cash Loans		46.370		44.230		
4.2.2 Other		111.945		81.887		
V. DIVIDEND INCOME	(3)	85.863		37.069		
VI. NET TRADING INCOME	(4)	(328.014)		(2.076.745)		
6.1 Securities Trading Gains / (Losses)		846.704		111.243		
6.2 Derivative Financial Instruments Gains / Losses		(12.606.638)		(1.425.632)		
6.3 Foreign Exchange Gains / Losses (Net)		11.431.920		(762.356)		
VII. OTHER OPERATING INCOME	(5)	4.287.220		2.403.975		
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		22.755.187		17.839.125		
IX. EXPECTED CREDIT LOSSES (-)	(6)	4.323.619		588.872		
X. OTHER PROVISION EXPENSES (-)	(6)	90.000		330.000		
XI. PERSONNEL EXPENSES (+)		3.106.961		1.921.475		
XII. OTHER OPERATING EXPENSES (-)	(7)	1.611.972		1.372.912		
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		13.602.635		12.855.866		
XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-		-		
XV. PROFIT / (LOSS) ON EQUITY METHOD		1.466.796		1.043.304		
XVI. GAIN / (LOSS) ON NET MONETARY POSITION		-		-		
XVII. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)		15.069.431		13.899.170		
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (+)	(8)	3.642.285		3.542.415		
18.1 Provision for Current Income Taxes		4.118.416		2.487.822		
18.2 Deferred Tax Income Effect (+)		2.290.558		2.130.956		
18.3 Deferred Tax Expense Effect (-)		2.766.689		1.076.363		
XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII+XVIII)	(10)	11.427.146		10.356.755		
XX. INCOME ON DISCONTINUED OPERATIONS		-		-		
20.1 Income on Assets Held for Sale		-		-		
20.2 Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-		-		
20.3 Income on Other Discontinued Operations		-		-		
XXI. LOSS FROM DISCONTINUED OPERATIONS (-)		-		-		
21.1 Loss from Assets Held for Sale		-		-		
21.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-		-		
21.3 Loss from Other Discontinued Operations		-		-		
XXII. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)		-		-		
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (+)		-		-		
23.1 Provision for Current Income Taxes		-		-		
23.2 Deferred Tax Expense Effect (-)		-		-		
23.3 Deferred Tax Income Effect (-)		-		-		
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)		-		-		
XXV. NET PROFIT/LOSS (XIX+XXIV)	(11)	11.427.146		10.356.755		
25.1 Group's Profit / Loss		11.323.717		10.221.982		
25.2 Minority Shares (-)		103.429		134.773		
Earnings / (loss) per share		4,044		3,651		

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive
Income For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

		Current Period January 1, 2025 – December 31, 2025	Prior Period January 1, 2024 – December 31, 2024
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
I.	CURRENT PERIOD INCOME / LOSS	11,427,146	10,356,755
II.	OTHER COMPREHENSIVE INCOME	1,909,855	971,778
2.1	Not Reclassified Through Profit or Loss	1,166,086	880,220
2.1.1	Property and Equipment Revaluation Increase / Decrease	936,461	845,499
2.1.2	Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain / Loss	(5,684)	(49,480)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	446,216	521,564
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(210,907)	(437,363)
2.2	Reclassified Through Profit or Loss	743,769	91,558
2.2.1	Foreign Currency Translation Differences	262,098	72,673
2.2.2	Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	687,868	29,565
2.2.3	Cash Flow Hedge Income / Loss	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(206,197)	(10,680)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	13,337,001	11,328,533

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

						Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss									
CHANGES IN SHAREHOLDERS' EQUITY		Note	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6 Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity	
Prior Period – December 31, 2024																		
I.	Prior Period End Balance		2.800.000	1.007	-	14.658	2.071.477	1.270	1.675.990	385.534	(127.992)	-	7.745.308	6.854.098	-	21.421.350	403.702	21.825.052
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2.800.000	1.007	-	14.658	2.071.477	1.270	1.675.990	385.534	(127.992)	-	7.745.308	6.854.098	-	21.421.350	403.702	21.825.052
IV.	Total Comprehensive Income		-	-	-	153.562	(34.421)	521.533	72.673	18.885	-	-	199.941	10.221.982	11.154.155	174.378	11.328.533	
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	(34)	-	-	-	-	-	(7)	-	-	(41)	-	-	(41)
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	7.047.948	(7.047.948)	-	(844)	(844)	(844)
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	(844)	-	(844)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.050.948	(6.050.948)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
Period-End Balance			2.800.000	1.007	-	14.624	2.225.039	(33.151)	2.197.523	458.207	(109.107)	-	14.793.249	6.091	10.221.982	32.575.464	577.236	33.152.700

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 consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity For the Period Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

						Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss									
CHANGES IN SHAREHOLDERS' EQUITY		Note	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
Current Period – December 31, 2025																		
I.	Prior Period End Balance		2.800.000	1.007	-	14.624	2.225.039	(33.151)	2.197.523	458.207	(109.107)	-	14.793.249	10.228.073	-	32.575.464	577.236	33.152.700
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2.800.000	1.007	-	14.624	2.225.039	(33.151)	2.197.523	458.207	(109.107)	-	14.793.249	10.228.073	-	32.575.464	577.236	33.152.700
IV.	Total Comprehensive Income		-	-	-	-	663.938	(3.765)	410.337	262.098	481.671	-	-	-	11.323.717	13.137.996	199.005	13.337.001
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	(24.921)	-	-	(24.921)	-	(24.921)
XI.	Profit Distribution		-	-	-	9.915	-	-	-	-	-	-	10.132.644	(10.142.559)	-	-	(1.055)	(1.055)
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.055)	(1.055)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	8.823.066	(8.823.066)	-	-	-	-
11.3	Other		-	-	-	9.915	-	-	-	-	-	-	1.309.578	(1.319.493)	-	-	-	-
Period-End Balance			2.800.000	1.007	-	24.539	2.888.977	(36.916)	2.607.860	720.305	372.564	-	24.900.972	85.514	11.323.717	45.688.539	775.186	46.463.725

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 consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

	Note	Current Period 31 December 2025	Prior Period 31 December 2024
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		4.784.792	11.851.033
1.1.1 Interest Received		30.393.626	29.752.963
1.1.2 Interest Paid		(16.645.696)	(13.708.705)
1.1.3 Dividends Received		112.583	52.069
1.1.4 Fees and Commissions Received		990.966	945.844
1.1.5 Other Income		2.399.895	838.690
1.1.6 Collections from Previously Written off Loans		1.804.044	349.376
1.1.7 Payments to Personnel and Service Suppliers		(3.738.693)	(2.238.841)
1.1.8 Taxes Paid		(5.244.684)	(2.465.969)
1.1.9 Others		(5.287.249)	(1.674.394)
1.2 Changes in Operating Assets and Liabilities		8.759.149	(21.275.107)
1.2.1 Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(1.520.722)	(1.125.278)
1.2.2 Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3 Net (Increase) (Decrease) in Loans		(22.076.894)	(20.064.340)
1.2.4 Net (Increase) (Decrease) in Other Assets		(4.489.629)	(2.830.160)
1.2.5 Net (Increase) (Decrease) in Bank Deposits		-	-
1.2.6 Net (Increase) (Decrease) in Other Deposits		-	-
1.2.7 Net (Increase) (Decrease) in Financial Liabilities at Fair Value through Profit or Loss		31.469.624	(411.520)
1.2.8 Net (Increase) (Decrease) in Funds Borrowed		-	-
1.2.9 Net (Increase) (Decrease) in Mattered Payable		5.376.770	3.156.191
1.2.10 Net (Increase) (Decrease) in Other Liabilities		-	-
I. Net Cash Provided by / (used in) Banking Operations		13.543.941	(9.424.074)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (used in) Investing Activities		(4.562.874)	(9.217.578)
2.1 Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		(200.000)	-
2.2 Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(201.355)	(97.454)
2.4 Disposals of Property and Equipment		19.222	698
2.5 Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(8.179.797)	(8.471.914)
2.6 Sale of Financial Assets at Fair Value through Other Comprehensive Income		2.352.170	1.843.538
2.7 Purchase of Financial Assets Measured at Amortized Cost		(33.357)	(3.194.001)
2.8 Sale of Financial Assets Measured at Amortized Cost		1.709.071	704.972
2.9 Others		(28.828)	(3.417)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided by / (used in) Financing Activities		(845.071)	15.350.447
3.1 Cash Obtained from Funds Borrowed and Securities Issued		15.345.651	27.297.517
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(16.109.698)	(11.881.103)
3.3 Capital Increase		(1.055)	(84)
3.4 Dividends Paid		(79.969)	(65.123)
3.5 Payments for Financial Leases		-	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		611.435	386.165
V. Net Increase in Cash and Cash Equivalents		8.747.431	(2.905.040)
VI. Cash and Cash Equivalents at Beginning of the Period		9.552.995	12.458.035
VII. Cash and Cash Equivalents at End of the Period		18.300.426	9.552.995

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Profit Distribution
For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

	Current Period 31 December 2025(1)	Prior Period 31 December 2024(4)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	14.821.728	13.678.968
1.2 TAXES AND DUTIES PAYABLE	3.438.935	3.544.369
1.2.1 Corporate Tax (Income tax)	3.988.859	2.371.538
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (3)	(549.924)	1.172.831
A. NET INCOME FOR THE YEAR (1.1-1.2)	11.382.793	10.134.599
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	1.309.915
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	11.382.793	8.824.684
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (pre-emptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (pre-emptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	8.824.684
1.12 GENERAL RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of preferred shares	-	-
2.2.3 To owners of preferred shares (pre-emptive rights)	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (2)		
3.1 TO OWNERS OF ORDINARY SHARES	4,07	3,15
3.2 TO OWNERS OF ORDINARY SHARES (%)	406,53	315,17
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(1) Since the dividend distribution proposal for 2025 to be submitted to the approval of the General Assembly has not yet been prepared by the Board of Directors, only the distributable profit amount is specified in the dividend distribution table for 2025.
(2) In the Income Statement and Profit Distribution Statement, one share is nominal for 1 penny and profit per share is calculated for 1 penny nominal share.
(3) Amounts for the current period are deferred tax income expenses and the previous period is deferred tax expense.
(4) The dividend distribution statement for the previous period was finalized by the Ordinary General Assembly resolution dated March 24, 2025, after the date of publication of the independently audited financial statements dated December 31, 2024, and was revised accordingly.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

I.a Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Application and Maintaining the Documents

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets, liabilities and land and building revaluation model which are carried at fair value.

The consolidated financial statements and related explanations and footnotes included in this report have been prepared in accordance with the Regulation on the Procedures and Principles Regarding Banks' Accounting Applications and Document Retention and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency (BRSA) regarding the accounting and financial reporting principles of banks and the provisions of the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for matters not regulated by these (hereinafter collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). However, the TAS 29 "Financial Reporting in Hyperinflationary Economies" standard included in the TFRS is not applied to banks and financial leasing, factoring, financing, savings, financing and asset management companies as explained below.

The accounting policies and valuation principles used in the 2025 period of Group are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXIII below.

The format and content of the accompanying consolidated financial statements and footnotes have been prepared in accordance with the "Communiqué" on Publicly Announced Financial Statements Explanations and notes to the Financial Statements" and "Communiqué on Disclosures About Risk Management to be Announced to Public by Banks."

The accompanying consolidated financial statements and the explanatory footnotes, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL").

In accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies," Standard, entities whose functional currency is the currency of a hyperinflationary economy are required to restate their financial statements to reflect the purchasing power of the currency at the end of the reporting period. Pursuant to the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying the Turkish Financial Reporting Standards are required to present their annual financial statements for reporting periods ending on or after December 31, 2023, adjusted for inflation effects in accordance with the accounting principles set out in TAS 29. The same announcement further stated that regulatory and supervisory authorities authorized in their respective fields may determine different transition dates for the application of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BRSA), with its decision numbered 10744 dated December 12, 2023, decided that the financial statements of banks and financial leasing, factoring, financing, savings financing, and asset management companies as of December 31, 2023, would not be subject to inflation adjustment under TAS 29. According to the BRSA's decision numbered 10825 dated January 11, 2024, it was decided that banks and financial leasing, factoring, financing, savings financing, and asset management companies would transition to applying inflation accounting from January 1, 2025. However, the BRSA later announced, with its decision numbered 11021 dated December 5, 2024, that inflation accounting would not be applied in 2025. It was announced that at the Board meeting on December 18, 2025, it was decided to repeal the Board Decision No. 10825 dated January 11, 2024, and to prohibit banks and financial leasing, factoring, financing, savings financing, and asset management companies from applying inflation accounting. Accordingly, the Parent Bank did not apply TAS 29 inflation accounting in its financial statements for the period ended December 31, 2025..

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

I. Basis of presentation (continued)

I.b The valuation principles used in the preparation of the financial statements

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the Turkish Accounting Standards and related regulations, explanations and circulars on accounting and financial reporting principles announced by the BRSA. These accounting policies and valuation principles are explained in the below notes through II to XXIII.

Since the year-end financial statements prepared as of December 31, 2025 are intended to update the financial information contained in the most recent annual financial statements, the Parent Bank has made certain estimates in the calculation of expected credit losses and disclosed them in footnote IX "Disclosures on impairment of financial assets". In the following periods, the Parent Bank will update its relevant assumptions to the extent necessary and review the realization of its retrospective forecasts.

I.c The accounting policies for the correct understanding of the financial statements

The following accounting policies that applied according to BRSA regulations and TAS for the correct understanding of the financial statements and valuation principles used in preparation of the financial statements are presented in more detail below.

Changes in accounting policies and disclosures

The TAS/TFRS amendments, which entered into force effective January 1, 2025, do not have a significant impact on the Parent Bank's accounting policies, financial position and performance. Amendments to the TAS and TFRS, which have been published but have not entered into force as of the date of finalization of the financial statements, will not have a material impact on the Parent Bank's accounting policies, financial position and performance.

Additional paragraph for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation, as described in the preceding paragraphs, differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of TAS 29 - Financial Reporting in Hyperinflationary Economies as of December 31, 2025, and the differences between accounting principles have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flow of the Group in accordance with IFRS.

I.d The items for which different accounting policies were applied while preparing the consolidated financial statements and their ratios to the total of the related items in the consolidated financial statements

Different accounting policies are not applied while preparing the consolidated financial statements.

II. Explanations on usage strategy of financial assets and foreign currency transactions

The main sources of the funds of the Group have variable interest rates. The financial balances are monitored frequently, and fixed and floating interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

Since the great majority of the loans extended by the Group have flexibility of reflecting changes in the market interest rates to the customers, the interest rate risk is kept at minimum level. Moreover, the highly profitable Eurobond and the foreign currency government indebtedness securities portfolio have the attribute of eliminating the risks of interest rate volatility.

Interest rate risk is reduced by creating an asset composition of the resources used in accordance with the fixed/variable cost structure.

The fixed rate Subordinated bond, Eurobond issued by the Group and a portion of fixed rate funds borrowed are subject to fair value hedge accounting. The Bank enters into interest rate swap agreements to hedge the change in fair values of its fixed rate and cross currency financial liabilities. The changes in the fair value of the hedged fixed rate financial liabilities and hedging interest cross-currency rate swaps are recognized under the trading profit/loss.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

II. Explanations on usage strategy of financial assets and foreign currency transactions (continued)

In the beginning and later period of the hedging transaction, the hedging transactions are expected to offset changes occurred in the relevant period of the hedging transaction and hedged risk (attributable to hedging risk) and effectiveness tests are performed in this regard.

The Group performs effective test at the beginning of the hedge accounting and at each reporting period. The effectiveness tests are carried out using the “Dollar off-set model” and the hedge accounting is applied if the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized and recognized in income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

The Bank liquidity is regularly monitored. Moreover, the need for liquidity in foreign currencies is safeguarded by currency swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors’ expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in placement decisions. The long-term placements are made under project finance. A credit policy is implemented in such a way that harmonizing the profitability of the projects, the collateral and the value add introduced by the Bank.

The movements of foreign exchange rates in the market, interest rates and prices are monitored instantaneously. While taking positions, the Bank’s unique operating and control limits are watched effectively besides statutory limits. Limit overs are not allowed.

For hedge against exchange rate risk arising from foreign currency transactions, A balanced strategy is followed in terms of currency position; To hedge against parity risk, the current currency position is monitored according to a basket balance in certain currencies.

Exchange rate differences between revenues and expenses arising from foreign currency transactions were recorded in the period in which the transaction was carried out. At the end of the period, the balances of foreign currency active and passive accounts are calculated at the end of the period.

The Parent Bank is exposed to financial risk which depends on changes in foreign exchange rates and interest rates due to activities and as part of banking activities it uses derivative instruments to manage financial risk that especially associated with fluctuations in foreign exchange and interest rate. Mainly derivative instruments used by the Parent Bank are foreign currency forwards, swaps and option agreements.

The derivative financial instruments accounted for at their fair values as of the date of the agreements entered into and continue to be monitored at their fair value in subsequent reporting periods. Derivative financial instruments of the Parent Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income”.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued) III. Explanations on associates and subsidiaries

Explanations about the Parent Bank and its subsidiaries and associates subject to consolidation are described in General Information Section V.

IV. Explanations on forward and option contracts and derivative instruments

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, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". 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.

TFRS 9 provides the option of deferring the adoption of TFRS 9 hedge accounting and the option to continue to apply the provisions of TAS 39 hedge accounting in the selection of accounting policies. In this context, the Parent Bank continues to apply the provisions of TAS 39 hedge accounting. In the initial design of a derivative financial instrument as a hedge, the Parent Bank discloses in writing the relationship between the hedged item and the hedging instrument, the risk management objectives and strategies of the relevant hedge, and the methods to be used to measure the hedge's effectiveness. At the beginning of the association and during the ongoing process, the Parent Bank evaluates whether the hedging method is effective on the changes in the expected fair values of the related instruments during the period in which the method is applied, or whether the effectiveness of each hedge in the actual results is in the range of 80% - 125%.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SELECTION THREE(Continued) ACCOUNTING POLICIES (Continued)

V. Explanations on associates and subsidiaries:

The Parent Bank's financial subsidiaries are reflected the consolidated financial statements according to the equity method in accordance with TAS 28 - Investment in Associates and Joint Ventures Related to the Turkish Accounting Standards. Unconsolidated and non-financial subsidiaries and associates are presented in the financial statements in accordance with the “TAS 27-Separate Financial Statements” standard with accounted for using the equity method in the consolidated financial statements.

VI. Explanations on interest income and expenses

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 “Financial Instruments” standard by applying an accrual basis using the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

In accordance with IFRS 9, interest accrued and discounts on non-performing loans and other receivables as of the transfer date are not cancelled. These amounts are recorded as interest income, and an expected loss provision is calculated based on these amounts within the scope of the relevant methodology.

VII. Explanations on fees and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted on the accrual basis of accounting throughout the service period. Income from asset purchases to a third party or by natural or legal persons contracts are recognized in the period they occur.

VIII. Explanations on financial assets

Initial recognition of financial instruments

Initial recognition of financial instruments the Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way to purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets(continued)

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instrument shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Assessment of business model

As per TFRS 9, the Parent Bank’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on the intent of the management on an individual financial intermediary, so the condition is not a classification approach based on a financial instrument but an evaluation by combining the financial assets. When the business model used for the management of financial assets is being evaluated, all evidence is considered. Such evidence includes the following:

- How the performance of financial assets held by the business model and business model is reported by the key executive personnel,

- Risks affecting the performance of the business model (financial assets held within the business model) and, type of management and

- How the additional payments to the managers are determined (for example, whether additional payments are determined according to the fair value of the assets being managed or on the contractual cash flows collected).

Business model evaluation is not based on scenarios in which the operator is not expected to be at a reasonable level, such as the "worst case" or "pressure case" scenarios. The same business model does not require a change in the classification of other financial assets as long as the cash flows are realized differently from the expected future date when the business model is assessed, the error correction is made in the financial statements or all relevant information available at the time of the valuation of the business model is taken into account. However, when evaluating the business model for newly created or newly acquired financial assets, information about how past cash flows have been considered along with other relevant information is also considered. The business models that comprise the bet are composed of three categories. These categories are as follows:

- Business model aimed to hold assets to collect contractual cash flows: This is a model whose objective is to hold assets to collect contractual cash flows are managed to realize cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortized cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Business model whose objective is to hold assets in order to collect contractual cash flows: The Parent Bank may hold financial assets in this business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
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SECTION THREE (Continued) ACCOUNTING POLICIES (Continued) VIII. Explanations on financial assets(continued)

Financial assets held under this business model are accounted for at fair value through other comprehensive income if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance on certain dates.

- Other Business Models: Financial assets are measured at fair value through profit or loss in case they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss and derivative financial assets are assessed in this business model.

The contractual cash flows including solely principal and interest on principle
As per TFRS 9, the Parent Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In a basic lending agreement, the time value of money and the consideration of credit risk are often the most important element of interest. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities
Financial assets are classified compliance with TFRS 9 in three main categories as listed below:
- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost

a. Financial assets at the fair value through profit or loss:

Financial assets whose fair value difference is reflected in profit/loss, financial assets managed by other models other than the business model aimed at retaining contractual cash flows to collect and the business model aimed at collecting and selling contractual cash flows, and the contractual terms of the financial asset do not lead to cash flows that include interest payments arising only from the principal and principal balance on certain dates; are financial assets that are acquired in order to profit from fluctuations in price and similar factors that occur in the market in the short term, or that are part of a portfolio intended to make a profit in the short term, regardless of the reason for which they are obtained. Financial assets whose fair value difference is reflected in profit/loss are recorded with their fair values and are subject to valuation with their fair values following their registration. The gains and losses resulting from the valuation are included in the profit / loss calculations. In line with the Uniform Chart of Accounts (CIP) statements, the positive difference between the cost of acquisition and the discounted value of the financial asset is in "Interest Income", if the fair value of the asset is above the discounted value, the positive difference is in the "Capital Market Operations Profits" account, and if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is "Capital Market Operations Losses" account. In the event that the financial asset is disposed of before maturity, the gains or losses incurred are recognized within the same principles.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued) VIII. Explanations on financial assets(continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

“Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the 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 Loss Reclassified Through Profit or Loss” under shareholders’ equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, and less provision for impairment.

During initial recognition an entity can choose in a 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.

c. Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

In the “Fair value through other comprehensive income” and “measured at amortized cost” securities portfolio of the Parent Bank, there are Consumer Price Indexed (CPI) Bonds.

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SECTION THREE (Continued) ACCOUNTING POLICIES (Continued) VIII. Explanations on financial assets(continued)

c. Financial Assets Measured at Amortized Cost (continued) :

The Parent Bank considered expected inflation index of future cash flows prevailing at the reporting date while calculating internal rate of return of the Consumer Price Indexed (CPI) marketable securities. The effect of this application is accounted as interest received from marketable securities in the consolidated financial statements. These securities are valued and accounted for using the effective interest method, based on real coupon rates and an index calculated using the reference inflation index and the estimated inflation rate at the time of issue. The effect arising from this practice is accounted for in the financial statements under "Interest income from securities".

As stated in the Turkish Ministry of Treasury and Finance's Investor Guide to CPI-Indexed Bonds, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of the two-month prior. The parent bank also determines its estimated inflation rate accordingly. The estimated inflation rate, taking into account the expectations of the Central Bank of the Republic of Turkey and the parent bank, is updated as needed throughout the year.

At the end of the year, the actual inflation rate is used.

d. 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 Interest Rate (internal rate of return) Method". Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

Turkish Lira (“TL”) cash loans are composed of foreign currency indexed loans and working capital loans; foreign currency (“FC”) cash loans are composed of investment loans, export financing loans and working capital loans.

All loans of the Parent Bank has classified under Measured at Amortized Cost, after loan portfolio passed the test of "All cash flows from contracts are made only by interest and principal" during the transition period.

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the income statement.

IX. Explanations on impairment of financial assets

As of January 1, 2018, loss allowance for expected credit losses is recognised on financial assets and loans measured at amortized cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss based on TFRS 9 and regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans”.

At each reporting date, it shall be assessed whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, it shall be used the change in the risk of a default occurring for the financial instrument.

SECTION THREE (Continued) ACCOUNTING POLICIES (continued) IX. Explanations on impairment of financial assets(continued)

Calculation of expected credit losses

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

Risk parameters used in TFRS 9 calculations are included in the future macroeconomic information. While macroeconomic information is included, macroeconomic forecasting models and multiple scenarios used in the Internal Capital Assessment Process (“ICAAP”) are considered.

The Parent Bank uses internal rating systems for loan portfolio. The internal rating models used include customer financial information and knowledge of survey responses based on expert judgement. Probability of default calculation has been carried out based on past information, current conditions and forward-looking macroeconomic parameters.

Financial assets are divided into three categories depending on the increase in credit risk observed since their initial recognition:

Stage 1:

The financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

IX. Explanations on impairment of financial assets(continued)

Calculation of expected credit losses (continued)

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. Calculation of expected credit losses is similar to descriptions above, but probability of default and loss given default rates are estimated through the life of the instrument.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized, and interest revenue is calculated on the net carrying amount. The probability of default is taken into account as 100%. Provision amounts for risks classified in Stage 3 are also determined using an individual assessment calculation.

The default assessment of the Parent Bank is made according to the following conditions:

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default in the Parent Bank and its consolidated financial subsidiaries is based on a more than 90 days past due definition.
2. Subjective Default Definition: It means the conviction that the debt will not be paid. If the borrower is deemed to be unable to perform its obligations on the loan, the borrower should be considered in default, regardless of whether there is a pending balance or the number of days of default.

Debt instruments measured at fair value through other comprehensive income

In accordance with TFRS 9, impairment provisions are applied for financial assets measured at fair value through other comprehensive income when recognizing and measuring expected loss provision. However, the carrying amount of the financial asset at fair value through other comprehensive income is not reduced in the statement of financial position. The expected loss provision is recognized in other comprehensive income and when the related financial asset is derecognized, the expected loss provision previously recognized in other comprehensive income is classified in the income statement.

Significant increase in credit risk

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to “12-month expected credit losses”. However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Bank measures loss allowance regarding such instrument at an amount equal to “lifetime expected credit losses”.

The Parent Bank considers the following key criteria in determining which financial assets will be classified as Stage 2 (Significant Increase in Credit Risk) due to a significant increase in credit risk.

- Loans overdue more than 30 days as of the reporting date
- Loans classified as watchlist
- When there is a change in the payment plan due to restructuring

Expected credit loss provisions are calculated by making "Collective" or "Individual" assessments according to the nature of the receivables.

Three scenarios—base, bad, and very bad—are used in forward-looking expectations, and these scenarios are weighted based on given probabilities.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

X. Explanation on the Netting of Financial Instruments

Financial assets and liabilities are offset when a legally enforceable right to set off or when the Parent Bank has the intention of collecting or paying the net amount of related assets and liabilities, and they are shown in financial statements with their net amounts. Otherwise, there is not offsetting transaction about financial assets and liabilities.

XI. Explanations on sales and repurchase agreements and lending of securities

Funds provided under repurchase agreements are accounted under “Funds Provided under Repurchase Agreements-TL” and “Funds Provided under Repurchase Agreements-FC” accounts.

Repurchase agreements (repo) are carried out using the financial instruments specified in the "Regulation on the Principles Regarding Repo and Reverse Repo Transactions to be Conducted by Banks". Marketable securities subject to repurchase agreements are classified under assets at fair value through profit or loss, assets at fair value through comprehensive income financial or assets at measured at amortized costs with parallel to classifications of instruments. The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement. Receivables from reverse repurchase agreements are recorded in “Receivables from Reverse Repurchase Agreements” account in the balance sheet.

XII. Explanations on assets held for sale and discontinued operations

Assets that meet the criteria to be classified as held for sale; Book values and costs to be incurred for sales are measured by the lower of their fair value, which has been deducted. Depreciation on these assets is stopped, and these assets are presented separately on the balance sheet. In order for an asset to be an asset held for sale; The relevant asset (or group of assets to be disposed of) must be in a position to be sold immediately within the framework of common and customary conditions and the probability of sale must be high. In order for the probability of sales to be high; A plan for the sale of the asset (or group of assets to be disposed of) must have been made by an appropriate management level and an active program for the identification of buyers and completion of the plan must have been initiated. In addition, the asset (or group of assets to be disposed of) must be actively marketed at a price that is compatible with its fair value. In addition, the sale must be expected to be recognized as a completed sale within one year from the date of classification, and the actions required to complete the plan must demonstrate that significant changes to the plan are unlikely to be made or the plan will be canceled.

Various events or circumstances can extend the completion time of the sale transaction to more than one year. Assets will continue to be classified as assets held for sale if the delay was caused by events or circumstances beyond the control of the entity and there is sufficient evidence that the entity's plan to sell the relevant asset (or group of assets to be disposed of) is in progress.

A discontinued activity is a division of a bank that is classified as being disposed of or held for the purpose of sale. Results for discontinued operations are presented separately in the income statement.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XIII. Explanations on goodwill and other intangible assets

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the subsidiary or jointly controlled interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period on disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Intangible assets are presented at their purchase cost, and for items purchased in subsequent periods, at their purchase cost, with accumulated amortization and depletion allowances, as well as permanent impairments, separated. Intangible assets are depreciated on a straight-line basis over their expected useful lives. Depreciation methods and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights, and they are depreciated principally on a straight-line basis between 1-15 years.

XIV. Explanations on tangible assets

Tangible fixed assets other than real estate are reflected at their purchase cost, after deducting accumulated depreciation and permanent impairments. Gain or loss resulting from disposals of the tangible assets is reflected in the income statement as the difference between the net proceeds and net book value. Normal maintenance and repair expenses incurred on property, plant and equipment are recognized as expense.

As of the third quarter of 2015, the Group changed its accounting policy and adopted revaluation method on annual basis under scope of Standard on Tangible Fixed Assets (TAS 16) with respect to valuation of immovable included in its building and lands. The amortization periods of real estate are specified in the appraisal's report. In case of the cost of tangible assets over the net realizable value estimated under the "Turkish accounting standards for impairment of assets" (TAS 36), the value of the asset is reduced to its “net realizable value” and are reserved impairment provision associated with expense accounts. The positive difference between appraisement value and net book value of the property is accounted under shareholder's equity. Related valuation models such as cost model, market value and discounted cash flow projections approaches are used in valuation of real estates. There is no pledge, mortgage or any other line on tangible assets. Tangible assets are depreciated with straight-line method, and their useful lives are determined in accordance with the Turkish Accounting Standards.

Depreciation rates and estimated useful lives of tangible assets are as follows.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XIV. Explanations on tangible assets (continued)

Tangible Assets	Expected Useful Lives (Years)	Depreciation Rate (%)
Cashvault	4-50	2-25
Vehicles	5	20
Buildings	50	2
Other Tangible Assets	1-50	2-100

Investment Properties

Investment properties are real estate held to earn rent income, gain in value or both. An investment property is recognized as an asset if it is probable that future economic benefits related to the property will be available to operate and the cost of the investment property can be reliably measured. The fair value model has been chosen for valuation of investment properties. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

XV. Explanations on leasing transactions

TFRS 16 Leases

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same. The Bank has started to apply “TFRS 16 Leases” Standard starting from 1 January 2019. The Bank has applied TFRS 16 with a simplified retrospective approach. The new accounting policies of the Group regarding application to TFRS 16 are stated below:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes

- (a) the amount of lease liabilities recognised,
- (b) lease payments made at or before the commencement date less any lease incentives received, and
- (c) All initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the ease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XV. Explanations on leasing transactions (Continued)

TFRS 16 Leases (Continued)

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which were not paid at the commencement date of the lease:

- a) Fixed payments,
- b) Variable rental payments based on an index or rate, the initial measurement of which is made using an index or rate on the date the lease actually begins,
- c) Amounts expected to be paid by the Group under residual value commitments
- d) If the parent company is reasonably confident that the Group will exercise the purchase option, the exercise price of this option and
- e) Penalty payments for termination of the lease if the lease term shows that the Group will exercise an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period when the event or condition that triggers the payment occurs. The Group uses the revised discount rate for the remainder of the lease term, as this rate if the implied interest rate in the lease can be easily determined; If it cannot be determined easily, the Group determines it as the alternative borrowing interest rate at the date of reassessment.

After the lease actually commenced, the Group measures the lease liability as follows:

- (a) Increase the carrying amount to reflect interest on the lease liability, and
 - (b) Decreases book value to reflect lease payments made.
- In addition, if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to purchase the underlying asset, the value of the finance lease liabilities is remeasured.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XVI. Explanations on provisions and contingent liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If aforesaid criteria did not form, the Group discloses the issues mentioned in notes to financial statements. Provisions are determined by using the Parent Bank's best expectation of expenses in fulfilling the obligation and discounted to present value if material.

Explanations on contingent assets

Contingent assets consist of unplanned or other unexpected events that usually cause a possible inflow of economic benefits to the Group. Since recognition of the contingent assets in the financial statements would result in the accounting of an income, which may never be generated, the related assets are not included in the financial statements; on the other hand, if the inflow of the economic benefits of these assets to the Parent Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Parent Bank is almost certain, the related asset and the respective income are recognized in the financial statements of the period in which the change occurred.

XVII. Explanations on liabilities regarding employee benefits

According to the provisions of the current laws and collective bargaining agreements in Turkey, severance pay is paid in case of retirement or dismissal. The group records the severance pay provision by estimating the present value of its likely future liability in the event of retirement or dismissal. There are no severance and notice payments obligations arising from employees employed on a fixed-term contract whose contract will expire more than 12 months from the date of the balance sheet. Actuarial losses and gains incurred after January 1, 2013 are recognized under shareholders' equity in accordance with the revised TAS 19 standard.

Employees of the parent Bank, Industrial Development Bank of Turkey Joint Stock Company, Civil Servants and Contractors Assistance and Pension Foundation and Members of the Industrial Development Bank of Turkey are members of the Munzam Social Security and Assistance Foundation ("Funds"). The technical financial statements of the said Funds are audited by an actuary registered in the register of actuaries in accordance with the provisions of the Insurance Law and the "Regulation on Actuaries" issued pursuant to this law.

A temporary article published in the Official Gazette No. 32121 dated March 3, 2023 was added to the Social Insurance and General Health Insurance Law dated May 31, 2006 and numbered 5510. In the provisional article in question, "Those who request for monthly bonding after the effective date shall be entitled to old-age or pension in accordance with the provisions of subparagraph (B) of the first paragraph of the provisional Article 81 of the Law No. 506, the second paragraph of the provisional Article 10 of the Law No. 1479, the subparagraph (B) of the first paragraph of the provisional Article 2 of the Law No. 2925 and the provisional Article 205 of the Law No. 5434, they shall benefit from old-age or pension if they meet other conditions other than age in the said provisions. No retrospective payment shall be made on the basis of this paragraph, and no retrospective rights shall be claimed." In this context, the members of the pension fund have the opportunity to retire early as of April 1, 2023. This change has no significant impact on the Bank's financials and funds

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SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XVII. Explanations on liabilities regarding employee benefits (continued)

The first paragraph of the provisional Article 23 of the Banking Law No. 5411 ("Banking Law") published in the Official Gazette dated November 1, 2005 and numbered 25983 contains the provision that bank funds shall be transferred to the Social Insurance Institution within 3 years from the date of publication of the Banking Law. According to the Banking Law; A commission consisting of representatives from various organizations shall calculate the liability according to actuarial calculations, considering the income and expenses of the fund, on the basis of the circuit for each ballot box. The specified obligation shall be paid for equal annual installments for not more than 15 years. However, the said article of the Banking Law was annulled by the Constitutional Court's decision dated March 22, 2007, E. 2005/39, K. 2007/33 published in the Official Gazette dated March 31, 2007 and numbered 26479, and its validity was suspended as of the date of publication of the decision, and the reasoned decision on the cancellation of the relevant paragraph was published in the Official Gazette dated December 15, 2007 and numbered 26731.

Following the publication of the Constitutional Court's reasoned decision on the annulment, the relevant articles of the Social Security Law No. 5754 regulating the principles regarding the transfer of the Principal Bank fund participants to the Social Security Institution were adopted by the TGNA on April 17, 2008 and entered into force by being published in the Official Gazette dated May 8, 2008 and numbered 26870.

The Social Security Law provides that the cash value of the liability in relation to the transferred persons as of the date of transfer; that the technical interest rate to be used in the actuarial account shall be 9,80% shall be determined by a commission consisting of representatives of Republic of Turkey Ministry of Treasury and Finance, the Social Security Institution, the Ministry of Finance, the Undersecretariat of the State Planning Organization, the BRSA, the SDIF, the Bank and the Funds, if the income and expenses of the funds in respect of the insurance branches covered by the Social Security Law and the monthly and revenues paid by the funds are above the monthly and revenues within the framework of the regulations of the Social Security Institution. It stipulates that it will be calculated taking into account the differences and that the transfer will be completed within a period of 3 years starting from January 1, 2008.

Within the scope of the Provisional Article 20 of Article 73 of the Social Security Law No. 5754 dated April 17, 2008 ("Law") published in the Official Gazette dated May 8, 2008 and numbered 26870; It is envisaged that the ballot boxes will be transferred to the SSI within three years following the publication of the law.

With the amendment in the first paragraph of the Provisional Article 20 of the Social Insurance and General Health Insurance Law No. 5510 published in the Official Gazette dated March 8, 2012 and numbered 28227, the 2-year postponement authority granted to the Council of Ministers was extended to 4 years. With the decision of the Council of Ministers published in the Official Gazette dated April 9, 2011 and numbered 27900, it was decided to extend the transfer process for 2 years. Accordingly, the transfer had to be completed by 8 May 2013. This time, with the Decision of the Council of Ministers No. 2013/467 published in the Official Gazette dated May 3, 2013 and numbered 28636, this period is extended for another 1 year and the transfer must be completed by May 8, 2014. However, since the transfer procedures did not take place, it was decided to extend the period for the transfer for another year with the Decision of the Council of Ministers published in the Official Gazette No. 28987 dated April 30, 2014.

In accordance with the provision of the Law on Occupational Health and Safety dated April 4, 2015 and numbered 6645, which was published in the Official Gazette dated April 23, 2015 and numbered 29335 and entered into force, and the Law on the Amendment of Some Laws and Decree Laws, the Council of Ministers was authorized to determine the transfer date to the Social Security Institution and the transfer of the ballot boxes was postponed to an unknown date..

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on liabilities regarding employee benefits (continued)

This authority has passed to the President by Decree Law No. 703 published in the Official Gazette No. 30473 dated July 9, 2018. In accordance with the Social Security Law, after the transfer of the monthly and/or income to the participants of the ballot boxes and their beneficiaries to the Social Security Institution, the other social rights and payments of these persons that are not covered despite being included in the foundation deed to which they are subject will continue to be covered by the organizations employing the participants of the chests and the polling stations.

As of December 31, 2025, the cash value of the principal obligations of the parent company Bank for the Assistance and Pension of Civil Servants and Contractors of TSKB A.Ş. Civil Servants and Contractors Assistance and Pension Foundation was calculated by an independent actuary using the actuarial assumptions specified in the Law and according to the actuary's report dated January 23, 2026, no technical or actual deficit requiring provision as of December 31, 2025 was identified. In addition, the management of the Parent Bank foresees that the amount of possible liability that may arise during and after the transfer to be made within the framework specified above will be at a level that can be met by the assets of the Fund and will not impose any additional burden on the Parent Bank.

XVIII. Explanations on taxation

Corporate income tax consists of the sum of current tax expense and deferred tax income or expense.

The tax liability for the current year is calculated on the taxable portion of the profit for the period. Taxable profit is calculated by considering items of income or expenses that are taxable or deductible from the tax base, as well as items that cannot be taxed or deducted from the tax base. Taxable profit therefore differs from the profit stated in the income statement.

Amendments were made to the Corporate Tax Law No. 5520 with the Law published in the Official

Gazette dated 27 November 2024. Accordingly, Starting from the declarations to be submitted as of October 1, 2023, the corporate tax rate has been arranged as 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

In the financial statements dated 31 December 2025, 30% was used as the tax rate in the period tax calculations.

In addition, with the amendment to the law, the tax exemption specified for real estate sales profits has been abolished, but the corporate tax exemption rate to be applied to the profits obtained from the sales of real estates included in the assets of the enterprises before July 15, 2023 will be applied as 25%. With the Law published in the Official Gazette dated November 27, 2024, amendments were made to Corporate Tax Law No. 5520. Accordingly, The corporate tax exemption rate applied to the profits arising from the sale of the participation shares that have been in the assets of the institutions for at least two full years and the founder's certificates, usufruct certificates, preemptive rights and participation shares of investment funds that they have held for the same period has been rearranged as 50%.

The entirety of the income earned from the transfer of real estate, participation shares, founder bonds, dividend shares and pre-emptive rights owned by institutions that are subject to legal proceedings due to their debts to banks, financial leasing or financing companies or that are indebted to the Savings Deposit Insurance Fund, and their guarantors and mortgagees to banks, financial leasing or financing companies or to this Fund in return for these debts, and the portion of the income earned from the sale of real estate from the said assets obtained by banks, financial leasing or financing companies in this way, and the portion of the income earned from the sale of others, are exempted from corporate tax at 50%, 75% of the profits arising from the sale of others are exempt from corporate tax.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (Continued)

With the Presidential Decree published in the Official Gazette dated 22 December 2024 and numbered 32760, the withholding rate applied to dividends was changed from 10% to 15%. Based on this regulation, the current withholding rate is taken into account in dividend payments made to individuals and limited taxpayer institutions, taking into account the Double Taxation Avoidance Agreements

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied as of the 2025 accounting period. "The institution of the Minimum Corporate Tax has been introduced with Law No. 7524, and a regulation has been made regarding the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject.

Turkey has started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with a Bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations entered into force with the laws published in the Official Gazette on August 2, 2024. The practice in Turkey is largely compatible with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. The secondary regulation regarding the calculation details and application method has not been published yet. In the preliminary assessments made by considering the regulations published by the OECD, it is assessed that the said regulations will not have any impact on the financials.

Within the scope of Article 298 of the Tax Procedure Code, it is stipulated that if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current accounting period, the financial statements will be subject to inflation adjustment and these conditions have been fulfilled as of December 31, 2021.

However, the Law No. 7352 "On the Amendment of the Tax Procedure Law and the Corporate Tax Law" published in the Official Gazette dated January 29, 2022 and numbered 31734 and the provisional Article 33 were added to the Tax Procedure Law No. 213 and the accounting periods of 2021 and 2022, including the temporary tax periods (as of the accounting periods ending in 2022 and 2023 for those who were assigned special accounting periods) and the 2023 accounting period within the scope of Article 298. It has been enacted that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the financial statements dated December 31, 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the profit/loss differences arising from the inflation adjustment will be shown in the profit/loss account of previous years. December 28, 2023 and published in the Official Gazette No. 32413, Some Laws and Decrees with the Force of Law No. 7491 on the Amendment of the Law No. 17, Banks, companies in accordance with the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies dated November 21, 2012 and No. 6361, payment and electronic money institutions, authorized exchange institutions, asset management companies, the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies, pay and electronic money institutions, asset management companies, it has been enacted that profit/loss differences arising from the inflation adjustment to be made by capital market institutions, insurance and reinsurance companies and pension companies in the accounting periods of 2024 and 2025, including temporary tax periods, will not be taken into account in the determination of earnings. The President is authorized to extend the periods determined within the scope of this paragraph up to an accounting period, including temporary tax periods

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (Continued)

With the Communiqué on the Amendment of the General Communiqué on the Tax Procedure Law No. 547 (serial no. 537) published in the Official Gazette dated January 14, 2023, and numbered 32073, the procedures and principles of the articles of the law that allow the revaluation of immovables and depreciable economic assets have been rearranged. Accordingly, the Bank has revalued some of its assets on its balance sheet until 30 September 2023, provided that the conditions set forth in the provisions of the Provisional Article 32 of the Tax Procedure Law and the Repetitive Article 298/ç are met. As of December 31, 2023, no revaluation was implemented due to the fact that the financial statements were subject to inflation adjustment as of December 31, 2023. In this context, corporate tax is calculated by taking into account the depreciation allocated on the values of the revalued assets subject to revaluation until September 30, 2023.

Law No. 7571, published in the Official Gazette dated December 25, 2025, and numbered 33118, stipulates that inflation adjustment will not be applied to the 2025 accounting period, including the provisional tax periods related to this period, as well as the 2026 and 2027 accounting periods, regardless of whether the conditions are met. Since the periods for which inflation adjustment will not be applied (including periods extended within the scope of the authority) are considered as periods where the conditions for inflation adjustment have not been met, revaluation may be applied to depreciable assets in these periods in accordance with Article 298/c of the Tax Procedure Law. Accordingly, the parent bank has revalued a portion of its assets on its balance sheet using the 25.49% revaluation rate announced for the relevant year.

Deferred tax liability or assets are determined by calculating the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts considered in the calculation of the legal tax base, according to the balance sheet method, by considering the legal tax rates

According to Article 298/ç of the Tax Procedure Law, tax effects arising from revaluation in the financial statements as of December 31, 2025, have been included in the deferred tax calculation as of December 31, 2025.

Deferred tax is recognized for Stage 1 and Stage 2 expected credit provisions.

Except for goodwill or business combinations, deferred tax liability or assets are not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of deferred tax assets are reviewed as of each balance sheet date. Carrying value of deferred tax assets are reduced to the extent that it is not probable that a taxable profit will be obtained to allow some or all the deferred tax assets to be benefited. Deferred tax is calculated over the tax rates valid in the period when assets are created or liabilities are fulfilled and recorded as expense or income in the income statement.

However, if the deferred tax is related to assets directly associated with equity in the same or a different period, it is directly associated with the equity account group. Deferred tax receivables and liability are netted off. Pursuant to Article 53 of the Banking Law dated October 19, 2005 and numbered 5411, all of the special provisions set aside for loans and other receivables are considered as an expense in the determination of the corporate tax base in the year they are allocated pursuant to the second paragraph of the same article.

Transfer pricing

The issue of transfer pricing is regulated by Article 13 of the Corporate Tax Law titled "Distribution of Implicit Earnings through Transfer Pricing", and detailed explanations on the subject are included in the "General Communiqué on Implicit Profit Distribution through Transfer Pricing". Pursuant to these regulations, in the event that goods or services are purchased or sold with related persons/organizations at the price determined in violation of the arm's length principle, the gain is deemed to be distributed implicitly through transfer pricing and the distribution of earnings of this nature is not subject to deduction in terms of corporate tax

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIX. Additional explanations on borrowings

The parent bank obtains funds from domestic and foreign institutions when needed, and resorts to debt instruments such as syndication, secured borrowing, and bond issuance, securing resources from individuals and entities located both domestically and abroad.

Instruments representing debt are recorded at their acquisition cost on the transaction date and subsequently valued at their discounted value using the internal rate of return method. A portion of the fixed-interest bonds issued by the parent bank and a portion of the fixed-interest funds it utilizes are subject to fair value hedging accounting. The credit risk and accumulated interest related to these hedged liabilities are discounted and recorded in the income statement as interest expense; while the net amount excluding credit risk and accumulated interest, resulting from the application of hedging accounting, is valued using the fair value method and recorded in the income statement as profit/loss from derivative financial transactions.

XX. Explanations on share certificates issued

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 24, 2025, it was approved that TL 1,300,000 from the net profit for 2024 be allocated to a special fund for the purpose of acquiring venture capital investment funds, that the TL 9,915 profit from the sale of subsidiaries realized in 2024 be held in a special account in equity, and that the remaining amount be set aside as extraordinary reserve.

In line with the decision taken at the Ordinary General Assembly meeting held on March 28, 2024, it was approved that 5% of the net profit of 2023 would be set aside as legal reserves, TL 997,000 would be set aside as a special fund for the purpose of purchasing venture capital investment funds, and the remaining portion would be set aside as extraordinary reserves.

XXI. Explanations on acceptances

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

XXII. Explanations on government incentives

The parent company, the Bank, has not received any government grants in the current or previous period.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXIII. Explanations on segment reporting

In accordance with its mission, the main shareholder Bank operates mainly in the fields of corporate banking and investment banking. Corporate banking provides financial solutions and banking services to medium and large corporate clients. Services offered to corporate customers include foreign trade transactions services covering investment loans, project finance, business loans on TL and foreign currency basis, letters of credit, letters of guarantee, and externally guaranteed letters of guarantee.

Investment banking operating income includes revenues from Treasury transactions and Corporate Finance activities. Within the scope of investment banking activities, in addition to the fund management of the Parent Bank, all kinds of corporate finance services are offered to corporate customers along with Securities brokerage transactions, cash management and derivative transactions.

The segmental allocation of the Group's net profit, total assets and total liabilities are shown below.

Current Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	6.263.058	10.807.296	790.293	17.860.647
Net Fees and Commission Income	293.717	139.248	399.686	832.651
Other Income	1.657.002	-	4.179.697	5.836.699
Other Expense	(4.778.947)	(839.800)	(3.841.819)	(9.460.566)
Profit Before Tax	3.434.830	10.106.744	1.527.857	15.069.431
Tax Provision				(3.642.285)
Net Profit				11.427.146
Group's profit / loss				11.323.717
Minority share profit / loss				103.429
Current Period	Corporate Banking	Investment Banking	Other	Total
Segment Assets	225.285.371	81.283.063	21.983.179	328.551.613
Investment in Associates and Subsidiaries	-	-	5.741.905	5.741.905
Total Assets	225.285.371	81.283.063	27.725.084	334.293.518
Segment Liabilities	261.079.331	12.308.109	14.442.353	287.829.793
Shareholders' Equity	-	-	46.463.725	46.463.725
Total Liabilities	261.079.331	12.308.109	60.906.078	334.293.518

Prior Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	5.384.395	9.720.542	750.162	15.855.099
Net Fees and Commission Income	205.319	301.873	312.535	819.727
Other Income	389.929	-	3.094.419	3.484.348
Other Expense	(916.948)	(2.291.927)	(3.051.129)	(6.260.004)
Profit Before Tax	5.062.695	7.730.488	1.105.987	13.899.170
Tax Provision				(3.542.415)
Net Profit				10.356.755
Group's profit / loss				10.221.982
Minority share profit / loss				134.773
Prior Period	Corporate Banking	Investment Banking	Other	Total
Segment Assets	158.390.390	57.279.469	17.497.581	233.167.440
Investment in Associates and Subsidiaries	-	-	4.361.542	4.361.542
Total Assets	158.390.390	57.279.469	21.859.123	237.528.982
Segment Liabilities	186.363.381	3.280.524	14.732.377	204.376.282
Shareholders' Equity	-	-	33.152.700	33.152.700
Total Liabilities	186.363.381	3.280.524	47.885.077	237.528.982

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SECTION FOUR INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations related to consolidated shareholders’ equity

The capital adequacy standard ratio has been calculated in accordance with the Regulation on Equities of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Banks and the BRSA decision numbered 11038 dated 19 December 2024. Within the framework of the said Board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of 28 June 2024, while the equity item has been calculated without taking into account the negative net valuation differences of the securities acquired on or before 1 January 2024 and included in the “Securities at Fair Value Through Other Comprehensive Income” portfolio. The Group’s capital adequacy standard ratio calculated as of 31 December 2025 is 25,01% (31 December 2024: 26,44).

	Consolidated	Consolidated
	Current Period	Prior Period
CORE EQUITY TIER 1 CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	2,800.374	2,800.374
Share premiums	1.007	1.007
Reserves	24.900.972	14.793.249
Other comprehensive income according to TAS	7.049.416	5.174.692
Profit	11.409.231	10.228.073
Current Period Profit	11.323.717	10.221.982
Prior Period Profit	85.514	6.091
Bonus shares from associates, subsidiaries and joint ventures not accounted in current period’s profit	-	-
Minority shareholder	775.186	577.236
Core Equity Tier 1 Capital Before Deductions	46.936.186	33.574.631
Deductions from Core Equity Tier 1 Capital		
Valuation adjustments calculated as per the 1 st clause of 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	345.985	268.452
Leasehold improvements on operational leases	11.544	9.683
Goodwill (net of related tax liability)	1.005	1.005
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	25.887	7.218
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net amount of defined benefit plans	-	-
Investments in own common equity	-	-

SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders’ equity (continued)

Shares obtained against article 56, paragraph 4 of Banking Law	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank does not own 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	1.414.361	1.121.984
Mortgage servicing rights not deducted	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of Provisional Article 2 of the Regulation on the Equity of Banks	-	-
The amount of overage resulting from net long positions of investments in the core capital elements of banks and financial institutions in which more than 10% of the shareholding is owned and not consolidated	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I capital in cases where there are no adequate additional Tier I or Tier II capitals	-	-
Total Regulatory Adjustments to Tier I Capital	1.798.782	1.408.342
Core Equity Tier I Capital	45.137.404	32.166.289
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in core equity and related share premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	12.800.760	10.519.950
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	12.800.760	10.519.950
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above tier i capital	-	-
The total of net long position of the direct or indirect investments in additional Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities will not deduct from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Core Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital	12.800.760	10.519.950
Total Tier I Capital (Tier I Capital+Core Equity Tier I Capital + Additional Tier I Capital)	57.938.164	42.686.239
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 (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.693.900	1.882.408
Tier II Capital Before Deductions	2.693.900	1.882.408
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank’s Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-

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SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders’ equity (continued)

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 Common Equity Tier I capital (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.693.900	1.882.408
Total Capital (The sum of Tier I Capital and Tier II Capital)	60.632.064	44.568.647
Deductions from Total Capital		
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 sum of Tier I and Tier II (Capital) during the Transition Period		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	60.632.064	44.568.647
Total Risk Weighted Assets	242.391.992	168.595.101
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	18,62	19,08
Tier I Capital Adequacy Ratio (%)	23,90	25,32
Capital Adequacy Ratio (%)	25,01	25,01
BUFFERS		
Total buffer requirement (%)	2,506	2,508
Capital conservation buffer requirement (%)	2,500	2,500
Bank specific counter-cyclical buffer requirement (%)	0,006	0,008
Systematic significant buffer (%)	-	-
The ratio of Additional Core Equity Tier I capital which will be calculated by the first paragraph of Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	14,12	14,58
Amounts below the Excess Limits as per the Deduction Principles		
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	-	-
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	4.577.658	3.271.104
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	36.996	-

SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders’ equity (continued)

Limits Related to Provisions Considered in Tier II Calculation		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	6.627.408	4.966.267
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.693.900	1.882.408
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (To be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-
Limits Related to Provisions Considered in Tier II Calculation	-	-

Explanations on the reconciliation between amounts related to equity items and on balance sheet
There are no differences between the amounts related to consolidated equity items and on balance sheet figures.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations related to shareholders’ equity (continued)
Information on debt instruments to be included in the equity calculation

Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
	Regulation on Equity of Banks (Official Gazette Date: 05.09.2013 Official Gazette Number: 28756)
Governing law(s) of the instrument	Capital Markets Board Debt Instruments Communiqué VII-128.8 (Official Gazette Date: 07.06.2013 Official Gazette Number: 28670)
Consideration in Equity Calculation	
Subject to 10% deduction as of 1/1/2015	None
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
	The loan to be included in the additional Tier 1 capital calculation
Instrument type	
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date – Million USD)	300
Par value of instrument (Million USD)	300
Accounting classification	347001 (Liability) - Subordinated Bonds
Original date of issuance	21 March 2024
Perpetual or dated	Undated
Original starting and maturity date	21 March 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	There is an back payment option for the first 5 years (after the 5th year) on 21 March 2029
Subsequent call dates, if applicable	After the 5th year, the relevant option can be used. If it is not used after the 5th year, it can be used at every 5th Anniversary.
Interest/dividend payments	
Fixed or floating dividend/coupon	Fixed / semiannually coupon payment, principal payment at the maturity
Coupon rate and any related index	9,75%
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory	Partially optional.
Existence of step up or other incentive to redeem	None.
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	
If write-down, write-down trigger(s)	None
If write-down, full or partial	Full and Partial
If write-down, permanent or temporary	Permanent and temporary
If temporary write-down, description of write-up mechanism	None.
Position in subordination hierarchy in liquidation (Specify instrument type immediately senior to instrument)	After contribution capitals
In compliance with article number 7 and 8 of “Own fund regulation”	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations related to consolidated credit risk

The sectoral distributions of the loans are reported to the Board of Directors on a monthly basis and limitations are made according to the conjuncture. No geographical restrictions apply. Monitoring and controls are carried out regarding the transactions made for Treasury purposes. Risk limits have been determined in relation to the transactions carried out.

The credit worthiness of loan customers is monitored by the Credit Allocation Department and is regularly reviewed every six months. The credit worthiness of borrowers is monitored at regular intervals in accordance with the relevant legislation. Account status documents are obtained as stipulated in the relevant legislation. Credit limits are determined by the Board of Directors, the bank credit committee and the credit management. The parent company Bank receives sufficient collateral for its loans and other receivables. The guarantees received consist of personal bail, real estate mortgage, cash blockage and customer checks.

Limits have also been set for transactions with banks. Credit risks are managed within the framework of the counterparty's credit worthiness and limits.

Definitions of delinquent and depreciated loans, as well as explanations of value adjustments and provisions, are given in footnote X of Chapter Four.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations related to consolidated credit risk (continued)

The total amount of risks incurred after offset transactions, regardless of the effects of credit risk reduction, and the average amount of risks disaggregated according to different risk classes and types for the relevant period

	Current Period		Prior Period	
	Risk Amount (1)	Average Risk Amount (2)	Risk Amount (1)	Average Risk Amount (2)
Exposures to sovereigns and their central banks	51.472.479	52.321.836	39.038.328	32.047.457
Exposures to regional and local governments	-	15	-	-
Exposures to administrative bodies and noncommercial entities	26.905	93.054	232.482	327.924
Exposures to multilateral development banks	225.777	207.795	106.747	64.367
Exposures to international organizations	-	-	-	-
Exposures to banks and securities firms	24.158.510	16.252.999	14.651.015	13.825.651
Exposures to corporates	207.500.912	198.020.084	144.621.373	138.996.884
Retail exposures	-	-	-	-
Exposures secured by property	4.347.270	3.471.504	3.198.999	1.295.422
Past due receivables	1.476.268	655.219	457.704	745.540
Exposures in higher-risk categories	155.195	126.272	6.909	7.012
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Equity investments in the form of collective investment undertakings	3.698.534	2.005.220	1.627.653	619.295
Equity investments	5.988.213	5.646.032	4.173.443	3.854.447
Other exposures	14.769.189	11.496.046	11.554.829	9.690.840

(1) Includes total risk amounts before the effect of credit risk mitigation.
(2) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

Control limits exist on positions held in future and options contracts and similar contracts. These limits are continuously monitored by bank management. Credit risk is managed together with potential risks arising from market movements. Credit risk, market risk, liquidity risk, and other risks are considered. When the bank is significantly exposed to credit risk, it reduces the total risk by quickly terminating futures and similar contracts through the exercise of rights, performance of obligations, or sale. Compensated non-cash loans are subject to the same risk weighting as loans that are overdue and unpaid.

Apart from the monitoring method determined by the relevant legislation for renewed and restructured loans, the Bank's internal rating process involves changing the existing rating of the relevant company and taking all necessary measures for risk classification. The Bank monitors concentration based on maturity and examined risks that deviate from the normal course. Transactions abroad are conducted with numerous correspondent banks in many countries. Counterparty limits have been established for transactions with banks. As an active participant in the international banking market, the Bank does not have a significant concentration of credit risk when considered alongside the financial activities of other financial institutions.

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations related to consolidated credit risk (continued)

The share of the Group's risks from the top 100 and 200 cash loan customers in the total cash loans portfolio is as follows; 77,28% and 94,51% (December 31, 2024: 79,33% and 95,23%).

The share of the Group's risks from the top 100 and 200 non-cash loan customers in the total non-cash loans portfolio is as follows; 87,83% and 87,83% (December 31, 2024: 87,72% and 87,72%).

The share of the amount of cash and non-cash risk from the first 100 and 200 credit customers of the Group in the total balance sheet and in the regular accounts, respectively; 75,48% and 94,48% (December 31, 2024: 78,39% and 94,89%).

For the credit risk assumed by the Group, the expected loss provision for stage 1 and phase 2, measured in accordance with the IFRS 9 projected loss model, is TL 6.641.073 (December 31, 2024: TL 5.013.806).

Credit risk is assessed according to Parent Bank's internal rating model. While the rating of the customers outside the financial sector in the loan portfolio is made with the internal rating model, the ratings of the customers included in the financial sector are matched to the internal ratings of the Parent Bank given by the external rating agencies.

Rated cash loans, non-cash loans and finance lease receivables rated by internal rating model is given table below for the current period.

Loan Quality Categories	Current Period(%)	Prior Period(%)
Above Average Grade	41,36	42,56
Average Grade	49,73	45,97
Below Average Grade	6,81	9,47
Impaired	2,10	2,00
Total	100,00	100,00

As of December 31, 2025, there are no loans under close monitoring with a delay of 31 days or more. (December 31, 2024: None).

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Profile of significant exposures in major region

Current Period	Risk Types (1)																Total
	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	
Domestic	51.420.919	-	5.420	-	-	17.949.855	184.923.594	-	4.347.010	1.476.268	35.503	-	-	3.698.534	1.537.461	13.536.927	278.931.491
European Union (EU) Countries	-	-	-	133	-	526.815	16.273	-	-	-	-	-	-	-	184.536	107.212	834.969
OECD Countries (2)	-	-	-	68.080	-	736.592	485.713	-	-	-	-	-	-	-	-	-	1.290.385
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	120.965	-	983.520	-	-	-	-	-	-	-	-	-	-	1.104.485
Other Countries	-	-	-	36.599	-	3.765	2.055	-	-	-	-	-	-	-	-	-	42.419
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.266.216	-	4.266.216
Unallocated Assets/Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	51.420.919	-	5.420	225.777	-	20.200.547	185.427.635	-	4.347.010	1.476.268	35.503	-	-	3.698.534	5.988.213	13.644.139	286.469.965

(1) Risk types in the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

(2) Includes OECD countries other than EU countries, USA and Canada

(3) Includes asset and liability items that cannot be allocated on a consistent basis

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Profile of significant exposures in major region (continued)

Prior Period	Risk Types (1)																Total
	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	
Domestic	39.040.549	-	46.757	-	-	9.769.961	131.440.053	-	3.198.999	457.704	2.720	-	-	1.627.654	272.309	10.347.631	196.204.337
European Union (EU) Countries	-	-	-	196	-	81.150	-	-	-	-	-	-	-	-	688.182	109.801	879.329
OECD Countries (2)	-	-	-	21.229	-	475.592	418.624	-	-	-	-	-	-	-	-	-	915.445
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	66.468	-	401.782	-	-	-	-	-	-	-	-	-	-	468.250
Other Countries	-	-	-	18.854	-	4.057	5.404	-	-	-	-	-	-	-	-	-	28.315
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.212.952	-	3.212.952
Unallocated Assets/Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	39.040.549	-	46.757	106.747	-	10.732.542	131.864.081	-	3.198.999	457.704	2.720	-	-	1.627.654	4.173.443	10.457.432	201.708.628

(1) Risk types in the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion

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

(3) Includes asset and liability items that cannot be allocated on a consistent basis

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Risk profile by sectors or counterparties

	Risk Types (1)																		
	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrati ve bodies and noncomm er cial ent ities	Exposures to multilateral developmen t banks	Exposure s to internatio nal organizati ons	Exposures to banks and securities firms	Exposures to corporates	Retail exposure s	Exposures secured by property	Past due receivables	Exposure s in higher- risk categor ies	Exposure s in the form of bonds secured by mortgage s	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertaking s	Equity investments	Other exposures	TL	FC	Total
Current Period																			
Agriculture	-	-	-	-	-	-	1.404.354	-	-	-	15	-	-	-	-	340	47.895	1.356.814	1.404.709
Farming and Stockbreeding	-	-	-	-	-	-	1.404.354	-	-	-	15	-	-	-	-	-	47.555	1.356.814	1.404.369
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	137.592.401	-	2.864.866	1.457.050	7.352	-	-	-	-	185.000	12.993.742	129.112.927	142.106.669
Mining and Quarrying	-	-	-	-	-	-	640.174	-	-	-	-	-	-	-	-	392	639.782	-	640.174
Production	-	-	-	-	-	-	65.227.758	-	2.591.706	1.276.495	7.349	-	-	-	-	185.000	6.844.670	62.443.638	69.288.308
Electricity, Gas and Water	-	-	-	-	-	-	71.724.469	-	273.160	180.555	3	-	-	-	-	-	6.148.680	66.029.507	72.178.187
Construction	-	-	-	-	-	-	5.460.913	-	897.771	-	28.136	-	-	-	-	1.174.479	2.073.134	5.488.165	7.561.299
Services	4.385.353	-	5.419	225.777	-	20.200.547	36.305.033	-	584.373	19.218	-	-	-	3.698.534	5.988.213	1.004.518	25.418.272	46.998.713	72.416.985
Wholesale and Retail Trade	-	-	-	-	-	-	2.138.535	-	-	19.218	-	-	-	-	-	-	492.294	1.665.459	2.157.753
Accommodation and Dining	-	-	-	-	-	-	4.950.629	-	45.543	-	-	-	-	-	61.330	-	107.211	4.950.291	5.057.502
Transportation and Telecommunication	-	-	-	-	-	-	8.049.158	-	538.830	-	-	-	-	-	4.966	-	544.365	8.048.589	8.592.954
Financial Institutions	4.385.353	-	5.419	225.777	-	20.200.547	12.355.552	-	-	-	-	-	3.698.534	5.739.472	1.004.518	22.216.956	25.398.216	-	47.615.172
Real Estate and Rental Services	-	-	-	-	-	-	1.873.023	-	-	-	-	-	-	-	-	-	1.873.023	-	1.873.023
Professional Services	-	-	-	-	-	-	168.460	-	-	-	-	-	-	-	-	-	184.423	166.482	350.905
Educational Services	-	-	-	-	-	-	204.452	-	-	-	-	-	-	-	-	-	-	204.452	204.452
Health and Social Services	-	-	-	-	-	-	6.565.224	-	-	-	-	-	-	-	-	-	-	6.565.224	6.565.224
Others	47.035.566	-	1	-	-	-	4.664.934	-	-	-	-	-	-	-	-	11.279.802	40.224.254	22.756.049	62.980.303
Total	51.420.919	-	5.420	225.777	-	20.200.547	185.427.635	-	4.347.010	1.476.268	35.503	-	-	3.698.534	5.988.213	13.644.139	80.757.297	205.712.668	286.469.965

(1) Since there is no securitization position, the risk class of "Securitization positions" is not included. Credit conversion ratio and risk amounts after credit risk reduction are included.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (Continued)

Risk profile by sectors or counterparties (Continued)

	Risk Types (1)																		
	Exposures to sovereigns and their central banks	Exposures to regional and local governme nts	Exposures to administrat ive bodies and noncomm er cial ent ities	Exposures to multilateral developme nt banks	Exposu res to internat ional organiz ations	Exposures to banks and securities firms	Exposures to corporates	Retail exposure s	Exposures secured by property	Past due receivables	Exposures in higher- risk categories	Exposures in the form of bonds secured by mortgages	Short term exposure s to banks, brokerag e houses and corporat es	Equity investments in the form of collective investment undertaking s	Equity investments	Other exposures	TL	FC	Total
Prior Period																			
Agriculture	-	-	-	-	-	-	62.772	-	-	-	16	-	-	-	-	340	356	62.772	63.128
Farming and Stockbreeding	-	-	-	-	-	-	62.772	-	-	-	16	-	-	-	-	-	-	16	62.788
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	95.088.649	-	1.521.544	149.194	2.684	-	-	-	-	185.001	10.569.174	86.377.898	96.947.072
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.292	1.335.773	1.338.065
Production	-	-	-	-	-	-	1.338.065	-	-	-	-	-	-	-	-	-	2.292	1.335.773	1.338.065
Electricity, Gas and Water	-	-	-	-	-	-	42.165.375	-	1.311.774	5.169	41	-	-	-	-	185.001	4.475.430	39.191.930	43.667.360
Construction	-	-	-	-	-	-	51.585.209	-	209.770	144.025	2.643	-	-	-	-	-	6.091.452	45.850.195	51.941.647
Construction	-	-	-	-	-	-	3.493.530	-	682.133	289.029	20	-	-	-	-	-	293.589	4.171.123	4.464.712
Services	2.870.125	-	46.755	106.747	-	10.732.542	29.933.253	-	995.322	19.481	-	-	-	1.627.654	4.173.443	2.002.940	13.108.380	39.399.882	52.508.262
Wholesale and Retail Trade	-	-	-	-	-	-	1.627.019	-	50.626	19.481	-	-	-	-	-	-	424.938	1.272.188	1.697.126
Accommodation and Dining	-	-	-	-	-	-	3.678.942	-	234.000	-	-	-	-	-	26.606	-	43.280	3.896.268	3.939.548
Transportation and Telecommunication	-	-	-	-	-	-	8.155.582	-	643.841	-	-	-	-	-	5.167	1.174.479	1.180.215	8.798.854	9.979.069
Financial Institutions	2.870.125	-	46.755	106.747	-	10.732.542	8.889.659	-	-	-	-	-	1.627.654	3.999.357	-	828.461	9.516.292	19.585.008	29.101.300
Real Estate and Rental Services	-	-	-	-	-	-	1.937.731	-	-	-	-	-	-	-	-	-	1.799.646	138.085	1.937.731
Professional Services	-	-	-	-	-	-	263.566	-	-	-	-	-	-	-	-	142.313	-	261.870	405.879
Educational Services	-	-	-	-	-	-	232.187	-	-	-	-	-	-	-	-	-	-	232.187	232.187
Health and Social Services	-	-	-	-	-	-	5.148.567	-	66.855	-	-	-	-	-	-	-	-	5.215.422	5.215.422
Others	36.170.424	-	2	-	-	-	3.285.877	-	-	-	-	-	-	-	-	8.269.151	30.334.764	17.390.690	47.725.454
Total	39.040.549	-	46.757	106.747	-	10.732.542	131.864.081	-	3.198.999	457.704	2.720	-	-	1.627.654	4.173.443	10.457.432	54.306.263	147.402.365	201.708.628

(1) Since there is no securitization position, the risk class of "Securitization positions" is not included. Credit conversion ratio and risk amounts after credit risk reduction are included.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations related to consolidated credit risk (continued)
 Analysis of maturity-bearing exposures according to remaining maturities

Risk Types	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
Exposures to sovereigns and their central banks	5,281.978	1,839.960	1,042.372	1,783.215	41,469.193
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	5,394	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	13,894.714	3,405.679	855.791	130.206	1,133.842
Exposures to corporates	3,306.404	4,355.075	6,861.811	9,158.666	160,301.628
Retail exposures	-	-	-	-	-
Exposures secured by property	1,493	2,845	65.035	104.117	4,173.260
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	-	-	-	-	35,384
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	4,233.776	804	1,202	3,890	11,146
Total	26,723.759	9,604.363	8,826.211	11,180.094	207,124.453

(1) Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations related to consolidated credit risk (continued)

Disclosures on credit risk

In determining the risk weights of the risk classes specified in Article 6 of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, the international ratings of Fitch Ratings International Rating and JCR Avrasya Derecelendirme A.Ş. are used.

The ratings given by Fitch Ratings are used for receivables from banks and intermediary institutions whose counterparty is a resident of abroad and for receivables from central governments and central banks in the risk classes. The ratings given by JCR Avrasya Derecelendirme A.Ş. are used for receivables from banks and intermediary institutions whose counterparties are resident domestically and corporate receivables are included in the risk classes and for receivables that are denominated in TL. Other receivables from domestic residents who are not included in this scope are considered as ungraded. Credit ratings for these risk classes are not used for other assets from the borrower.

The table matching the ratings used in the calculations to the credit quality grades is given below:

Credit Quality Level	1	2	3	4	5	6
Grade	AAA with AA-	A+ with A-	BBB+ with BBB-	BB+ with BB-	B+ with B-	CCC+ and below

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations related to consolidated credit risk (continued)

Exposures by risk weights

Current Period												Deductions from Equity
Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	
Amount Before Credit Risk Mitigation (1)	51,646.695	-	21,699.368	-	17,509.688	-	192,133.385	28,223	-	4,577.658	-	1,465.407
Amount After Credit Risk Reduction	51,646.696	-	21,699.368	-	21,877.857	-	186,640.163	28,223	-	4,577.658	-	1,465.407

(1) Risk amounts are given before the effects of Credit Risk Mitigation and after the conversion rate to credit.

Prior Period												Deductions from Equity
Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	
Amount Before Credit Risk Mitigation (1)	39,145.075	-	12,390.807	-	13,952.429	-	132,832.414	483.621	-	3,271.104	-	1,139.890
Amount After Credit Risk Reduction	39,147.296	-	12,390.807	-	17,156.660	-	129,259.140	483.621	-	3,271.104	-	1,139.890

(1) Risk amounts are given before the effects of Credit Risk Mitigation and after the conversion rate to credit.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information of major sectors or type of counterparties

The Parent Bank’s all impaired and non-performing receivables comprise of domestic receivables.

Current Period	Loans (1)		Provisions
Major Sectors / Counterparties	Impaired		Expected Credit Losses (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Defaulted (Stage 3)	
Agriculture	-	28.469	28.469
Farming and Stockbreeding	-	28.469	28.469
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	10.396.336	4.022.148	6.433.159
Mining and Quarrying	-	-	-
Production	462.976	3.360.546	2.196.094
Electricity, Gas and Water	9.933.360	661.602	4.237.065
Construction	5.499.874	1.436.926	2.722.311
Services	603.138	233.549	391.309
Wholesale and Retail Trade	523.855	48.043	185.982
Accommodation and Dining	-	-	-
Transportation and Telecommunication	79.283	174.160	193.981
Financial Institutions	-	11.346	11.346
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	449.026	-	22.451
Total	16.948.374	5.721.092	9.597.699

(1) Includes breakdown of cash loans and financial lease receivables.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information of major sectors or type of counterparties (continued)

Prior Period	Loans (1)		Provisions
Major Sectors / Counterparties	Impaired		Expected Credit Losses (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Defaulted (Stage 3)	
Agriculture	-	28.151	28.148
Farming and Stockbreeding	-	28.151	28.148
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	4.476.254	1.959.313	3.624.464
Mining and Quarrying	-	-	-
Production	818.075	11.448	282.108
Electricity, Gas and Water	3.658.179	1.947.865	3.342.356
Construction	2.960.061	1.452.674	2.449.119
Services	3.633.754	240.349	989.322
Wholesale and Retail Trade	392.797	48.700	147.061
Accommodation and Dining	-	-	-
Transportation and Telecommunication	3.240.957	184.177	834.789
Financial Institutions	-	7.472	7.472
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	327.711	-	14.420
Total	11.397.780	3.680.487	7.105.473

(1) Includes breakdown of cash loans and financial lease receivables.

Information related with value adjustments and loan loss provisions

Current Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	3.226.936	2.681.708	(1.657.276)	-	4.251.368
Stage 1-2 Provisions	5.013.805	1.897.922	(270.654)	-	6.641.073

Prior Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	3.164.387	533.797	(471.248)	-	3.226.936
Stage 1-2 Provisions	5.317.871	903.954	(1.208.019)	-	5.013.806

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Exposures Subject to Countercyclical Capital Buffer

The geographical distribution of receivables from the private sector is taken into account for Calculation of Bank specific Counter Cyclical Capital Buffer with the scope of Capital Conservation and Counter-Cyclical Capital Buffers Regulation which is published on the Official Gazette no.28812 dated November 5, 2013 and sub-arrangements is given table below.

Information about receivables from consolidated private sector:

Current Period	Private Sector Loans in Banking Book	Risk Weighted Amount calculations for Trading Book	Total
Country risk taken ultimately			
United States	16.655	-	16.655
England	492.393	-	492.393
Luxembourg	291.748	-	291.748
Saudi Arabia	2.055	-	2.055
Austria	16.273	-	16.273
Türkiye	207.594.278	33.375	207.627.653
Total	208.413.402	33.375	208.446.777

Prior Period	Private Sector Loans in Banking Book	Risk Weighted Amount calculations for Trading Book	Total
Country risk taken ultimately			
United States	348	-	348
England	421.045	-	421.045
Luxembourg	797.983	-	797.983
Saudi Arabia	5.404	-	5.404
Türkiye	145.475.479	33.375	145.508.854
Total	146.700.259	33.375	146.733.634

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated currency risk

The exchange rate risk to which the parent company, the Bank, is exposed is shaped by the difference between its foreign currency and foreign currency-indexed assets and its foreign currency-denominated liabilities. On the other hand, the value changes of different currencies relative to each other emerge as another dimension of exchange rate risk.

The exchange rate risk table within the scope of the standard method, and the results are reported to the official authorities and the Bank's senior management. Thus, exchange rate risk is closely monitored.

The position limit for currency risk is calculated in accordance with the terms of the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis".

As part of the overall market risk, currency risk is also considered in the calculation of the Standard Ratio of Capital Adequacy. As part of the overall market risk, currency risk is also considered in the calculation of the Standard Ratio of Capital Adequacy.

Announced current foreign exchange buying rates of the Bank as at reporting date and the previous five working days in US Dollar and Euro are as follows:

	1 US Dollar	1 Euro
The Parent Bank's "Foreign Exchange Valuation Rate"		
December 31, 2025	42,6692	50,0766
Prior Five Workdays:		
December 30, 2025	42,6858	50,2668
December 29, 2025	42,6759	50,1741
December 26, 2025	42,4983	50,0715
December 25, 2025	42,5460	50,1022
December 24, 2025	42,5532	50,1872

The basic arithmetic average values of the Bank for the last thirty days from the date of the financial statement of the current exchange rate in US Dollars and Euros are 42,4089 and 49,6715 in full TL, respectively.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)
III. Explanations related to consolidated currency risk (continued)

Information on the Group's foreign currency risk:

Current Period	Euro	US Dollar	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	223.737	5.478.926	-	5.702.663
Banks (8)	1.333.180	7.395.797	24.425	8.753.402
Financial Assets at Fair Value Through Profit or Loss (1)	320.940	241.220	-	562.160
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	3.555.846	4.151.925	-	7.707.771
Loans (2)	121.385.018	92.948.181	-	214.333.199
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost (3)	1.351.290	16.152.372	-	17.503.662
Derivative Financial Assets for Hedging Purposes (4)	-	420.106	-	420.106
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (5)	102.191	152.345	-	254.536
Total Assets	128.272.202	126.940.872	24.425	255.237.499
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	492.761	4.549.507	-	5.042.268
Funds Provided From Other Financial	86.523.571	104.368.112	-	190.891.683
Marketable Securities Issued	-	73.736.340	-	73.736.340
Miscellaneous Payables	420.454	1.663.338	13.189	2.096.981
Derivative Financial Liabilities for Hedging Purposes (4)	(38)	95.203	-	95.165
Other Liabilities (6)	616.940	1.042.893	-	1.659.833
Total Liabilities	88.053.688	185.455.393	13.189	273.522.270
Net Balance Sheet Position	40.218.514	(58.514.521)	11.236	(18.284.771)
Net Off-Balance Sheet Position	(39.500.444)	57.339.981	102	17.839.639
Financial Derivative Assets	9.146.549	64.413.280	257.997	73.817.826
Financial Derivative Liabilities	(48.646.993)	(7.073.299)	(257.895)	(55.978.187)
Non-Cash Loans (7)	18.809.521	13.825.735	-	32.635.256
Prior Period				
Total Assets	71.352.352	108.187.133	414.967	179.954.452
Total Liabilities	44.047.089	148.881.014	374.230	193.302.333
Net Balance Sheet Position	27.305.263	(40.693.881)	40.737	(13.347.881)
Net Off-Balance Sheet Position	(27.068.889)	39.686.533	(36.477)	12.581.167
Financial Derivative Assets	1.676.607	42.569.830	861.540	45.107.977
Financial Derivative Liabilities	(28.745.496)	(2.883.297)	(898.017)	(32.526.810)
Non-Cash Loans (7)	4.666.145	13.578.772	-	18.244.917
(1) The exchange rate difference rediscout of derivative financial transactions amounting to TL 129.333 has been deducted from the "Financial Assets Reflected in Fair Value Difference Profit or Loss".				
(2) The loans provided include TL 307.084 of FX-indexed loans, TL 1.148.738 of Financial Lease Receivables, TL 1.344 of Frozen Receivables and TL (1.344) of Defaults (Third Stage/Special Provision), (TL 6.287.561) of the 1st and 2nd stages (including foreign currency-indexed loans) expected loss provision amounts.				
(3) TL (12.100) 1st stage includes the expected loss provision amount.				
(4) Hedging Derivative Financial Assets are defined in the "Derivative Financial Assets" line in the financial statement; Hedging Derivative Financial Liabilities are included in the "Derivative Financial Liabilities" line of the financial statement. Exchange rate discount of TL (204.000) was not taken into account in the "Derivative Financial Assets for Hedging Purposes" line, and exchange rate discount of TL (467.014) was not taken into account in the "Derivative Financial Liabilities for Hedging Purposes" line.				
(5) It does not include prepaid expenses in the amount of TL 31.664 and foreign exchange purchase commitment rediscouts in the amount of TL 1.306. TL (31) includes the amount of expected credit loss provision at Stage 1.				
(6) Derivative financial transactions exchange rate difference rediscouts amounting to TL (283.254) and foreign exchange sales commitment rediscouts amounting to TL 70 are not included in the "Other Liabilities" line.				
(7) It has no effect on the net off-balance sheet position.				
(8) TL (9.647) includes the amount of Stage 1 expected loss provision.				

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)
III. Explanations related to consolidated currency risk (continued)

The Group is mostly exposed to Euro, US Dollars and other foreign currencies.

The following tables detail the Group's sensitivity to 10% increase/decrease in the TL against US Dollar, Euro and other currencies.

	Increase in Currency Rate	Effect on Profit / Loss (1)		Effect on Equity (2)	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	(126.985)	(94.938)	9.531	(5.797)
Euro	10	31.407	(1.873)	40.400	25.510
Other	10	1.134	426	-	-

	Decrease in Currency Rate	Effect on Profit / Loss (1)		Effect on Equity (2)	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	126.985	94.938	(9.531)	5.797
Euro	10	(31.407)	1.873	(40.400)	(25.510)
Other	10	(1.134)	(426)	-	-

(1) Values expressed are before the tax effect.
(2) Effect on equity does not include effect on profit/loss.

IV. Explanations related to consolidated interest rate risk

The interest rate sensitivity of assets, liabilities and off-balance sheet items is measured by the Parent Bank. The general and specific interest rate risk tables within the standard method are calculated by including assets and liabilities, and the interest rate risk faced by the Parent Bank is calculated and taken into account in calculating the Capital Adequacy Standard Ratio as part of the overall market risk.

The results that may occur with forward-looking forecast-simulation reports are determined, and the effect of fluctuations in interest rates is evaluated by sensitivity analysis and scenario analysis. With the maturity distribution (Gap) analysis, the cash need arising in each maturity period is determined. In the interest rates applied, it is ensured that there is always a plus difference (spread) between the cost of liability and the return on assets.

When the Parent Bank liabilities are taken into consideration, it is seen that the resources obtained from within the country are quite low. The main shareholder Bank procures the majority of its resources from abroad with the advantages of being a development and investment bank.

Changes in interest rates are controlled by interest rate risk statements, gap analysis, scenario analysis and stress tests, and the effect on assets and liabilities and possible changes in cash flows are examined. Parent Partnership The Bank monitors many risk control ratios, such as the ratio of market risk to total risk-weighted assets and the ratio of risk-to-risk value to equity, calculated by the internal model.

In order to prevent the negative impact of assets or equity as a result of fluctuations in interest rates or liquidity difficulties, continuous controls are carried out within the scope of risk policies and Senior management, the Board of Directors and the Audit Committee are constantly informed.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)
IV. Explanations related to consolidated interest rate risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1)(2)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	5.703.137	5.703.137
Banks	7.386.636	30.714	-	-	-	1.642.221	9.059.571
Financial Assets at Fair Value Through Profit and Loss (3)	1.159.705	30.903	357.023	332.523	7.580	3.830.949	5.718.683
Money Market Placements	5.773.422	3.231.935	835.291	-	-	-	9.840.648
Financial Assets at Fair Value Through Other Comprehensive Income	4.784.574	3.391.286	4.741.483	11.556.020	725.101	2.022.483	27.220.947
Loans	51.497.224	49.766.683	99.432.120	32.144.186	3.363.087	-	236.203.300
Financial Assets Measured at Amortized Cost	291.686	6.441.322	3.131.680	16.390.517	1.125.243	-	27.380.448
Other Assets	-	-	-	-	-	13.166.784	13.166.784
Total Assets	70.893.247	62.892.843	108.497.597	60.423.246	5.221.011	26.365.574	334.293.518
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	8.193.145	2.464.716	-	-	-	-	10.657.861
Miscellaneous Payables	-	-	-	-	-	3.482.467	3.482.467
Marketable Securities Issued (4)	17.211.079	341.830	818.764	55.364.667	-	-	73.736.340
Funds Provided from Other Financial Institutions	20.385.800	60.480.449	104.788.796	7.155.228	808.092	-	193.618.365
Other Liabilities	588.171	186.370	901.856	257.160	-	50.864.928	52.798.485
Total Liabilities	46.378.195	63.473.365	106.509.416	62.777.055	808.092	54.347.395	334.293.518
Balance Sheet Long Position	24.515.052	-	1.988.181	-	4.412.919	-	30.916.152
Balance Sheet Short Position	-	(580.522)	-	(2.353.809)	-	(27.981.821)	(30.916.152)
Off-Balance Sheet Long Position	-	-	-	44.278.271	396.598	-	44.674.869
Off-Balance Sheet Short Position	(14.564.176)	(1.854.059)	(28.542.735)	-	-	-	(44.960.970)
Total Position	9.950.876	(2.434.581)	(26.554.554)	41.924.462	4.809.517	(27.981.821)	(286.101)

(1) Amounts in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, in order to reconcile the total assets and liabilities on the balance sheet.
(2) Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.
(3) Derivative financial assets and Loans measured at fair value through profit or loss.
(4) It also includes issued bonds that possess the characteristics of Tier 1 capital, classified under capital-like debt instruments on the balance sheet.

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)
IV. Explanations related to consolidated interest rate risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1)(2)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	7.345	-	-	-	-	2.873.080	2.880.425
Banks	6.379.255	-	-	-	-	1.524.618	7.903.873
Financial Assets at Fair Value Through Profit and Loss (3)	2.028.616	291.731	417.761	320.616	-	1.649.575	4.708.299
Money Market Placements	627.020	486.627	838.982	-	-	-	1.952.629
Financial Assets at Fair Value Through Other Comprehensive Income	6.524.766	1.480.352	2.112.327	6.654.897	394.703	1.137.481	18.304.526
Loans	76.972.638	21.372.449	45.316.413	18.565.052	3.834.800	-	166.061.352
Financial Assets Measured at Amortized Cost	6.340.107	4.017.545	3.430.828	8.299.285	2.131.950	-	24.219.715
Other Assets	-	-	-	-	-	11.498.163	11.498.163
Total Assets	98.879.747	27.648.704	52.116.311	33.839.850	6.361.453	18.682.917	237.528.982
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	6.133.032	421	-	-	-	-	6.133.453
Miscellaneous Payables	-	-	-	-	-	3.664.388	3.664.388
Marketable Securities Issued (4)	14.761.076	3.736.963	300.847	45.514.330	-	-	64.313.216
Funds Provided from Other Financial Institutions	69.838.141	16.486.753	29.468.828	7.475.505	733.278	-	124.002.505
Other Liabilities	674.851	93.156	569.748	255.395	-	37.822.270	39.415.420
Total Liabilities	91.407.100	20.317.293	30.339.423	53.245.230	733.278	41.486.658	237.528.982
Balance Sheet Long Position	7.472.647	7.331.411	21.776.888	-	5.628.175	-	42.209.121
Balance Sheet Short Position	-	-	-	(19.405.380)	-	(22.803.741)	(42.209.121)
Off-Balance Sheet Long Position	-	367.990	-	5.831.646	-	-	6.199.636
Off-Balance Sheet Short Position	(19.654)	-	(21.015.785)	-	(74.141)	-	(21.109.580)
Total Position	7.452.993	7.699.401	761.103	(13.573.734)	5.554.034	(22.803.741)	(14.909.944)

(1) in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, in order to reconcile the total assets and liabilities on the balance sheet.
(2) Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.
(3) Derivative financial assets and Loans measured at fair value through profit or loss.
(4) It also includes issued bonds that possess the characteristics of Tier 1 capital, classified under capital-like debt instruments on the balance sheet.

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SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,00	3,00	-	-
Banks	1,91	3,82	-	39,33
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	39,65
Available-for-Sale Financial Assets	4,57	6,41	-	40,97
Loans	6,05	8,35	-	48,75
Financial Assets Measured at Amortized Cost	5,84	8,10	-	19,82
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,41	4,64	-	38,01
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	6,20	-	-
Borrower Funds	0,25	0,50	-	28,00
Funds Provided From Other Financial Institutions	3,57	5,27	-	33,02

(1) The balance sheet also includes issued Tier 1 capital bonds classified under subordinated debt instruments.

SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,50	3,50	-	-
Banks	-	4,51	-	49,61
Financial Assets at Fair Value Through Profit and Loss	-	-	-	51,27
Money Market Placements	-	-	-	48,17
Available-for-Sale Financial Assets	4,57	6,41	-	45,87
Loans	7,32	9,19	-	56,74
Financial Assets Measured at Amortized Cost	5,84	8,09	-	22,06
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,26	0,53	-	47,77
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	5,92	-	57,37
Borrower Funds	0,25	0,50	-	39,00
Funds Provided From Other Financial Institutions	4,51	5,89	-	48,65

(1) The balance sheet also includes issued Tier 1 capital bonds classified under subordinated debt instruments.

V. Explanations related to consolidated stock position risk due from banking book

The Group is exposed to equity shares risk arising from investments on firms traded in Borsa Istanbul (BIST). Share certificate investments are almost used for trading purposes. However, these investments are not actively bought/sold by the Group. The Group classified its share certificate investments both as available for sale and as trading securities and net profit/loss of the Group is not affected unless the Group sell share certificates in portfolio of available for sale.

Below is the comparison table of the Group's share certificate instruments' book value, fair value and market value.

Current Period	Comparison		
Share Certificate Investments	Book Value	Fair Valur	Market Value
Investment in Shares-Grade A	4.226.863	-	4.226.863
Quoted	4.226.863	-	4.226.863

Prior Period	Comparison		
Share Certificate Investments	Book Value	Fair Valur	Market Value
Investment in Shares-Grade A	3.277.958	-	3.322.123
Quoted	3.277.958	-	3.322.123

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SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated interest rate risk due from banking book (continued)

On the basis of the following table, private equity investments in sufficiently diversified portfolios, type and amount of other risks, cumulative realized gains and losses arising from selling and liquidation in the current period, total unrealized gains and losses, total revaluation increases of trading positions on stock market and their amount that included to core capital and supplementary capital are shown.

Current Period	Realized Revenues and Losses in Period	Revaluation Value Increases		Unrealized Gains and Losses		
Portfolio		Total	Included in Core Capital (1)	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	748.750	748.750	-	-	-
Other Share Certificates	-	1.607.459	1.607.459	-	-	-
Total	-	2.356.209	2.356.209	-	-	-

(1) It refers to the amounts reflected in equity for subsidiaries and affiliates valued according to the equity method.

Prior Period	Realized Revenues and Losses in Period	Revaluation Value Increases		Unrealized Gains and Losses		
Portfolio		Total	Included in Core Capital (1)	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	787.549	787.549	-	-	-
Other Share Certificates	-	1.057.785	1.057.785	-	-	-
Total	-	1.845.334	1.845.334	-	-	-

(1) It refers to the amounts reflected in equity for subsidiaries and affiliates valued according to the equity method.

SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio

1. Explanations related to the consolidated liquidity risk

1.a Information about the governance of consolidated liquidity risk management, including: risk tolerance; structure and responsibilities for consolidated liquidity risk management; internal consolidated liquidity reporting; and communication of consolidated liquidity risk strategy, policies and practices across business lines and with the board of directors

Liquidity risk management is conducted by Treasury Department in line with the strategies set by Asset and Liability Committee within the limits and policies approved by Board of Directors and is monitored and controlled through reporting from Risk Management, Budget Planning and Financial Control Departments to Audit Committee, Risk Committee, Board of Directors, Senior Management and relevant departments.

The parent bank's liquidity risk capacity is determined by the regulations governing the calculation of liquidity coverage ratio and liquidity adequacy, as well as the parent bank's internal limits. In addition to legal limits, the parent bank has also established internal limits to monitor its liquidity status and maintain the level of risk that can be taken in accordance with risk appetite.

Considering the Bank's strategies and competitive conditions, Asset and Liability Committee has the responsibility of taking the relevant decisions regarding optimal balance sheet management of the Bank and monitoring the implementations. Treasury Department performs cash position management within the framework of the decisions taken at Asset and Liability Committee meetings.

The Risk Management Department reports to the Board of Directors and the Asset and Liability Committee regarding liquidity risk within the scope of internal limits and legal regulations. Additionally, liquidity stress tests are performed based on various scenarios and reported with their impact on legal limit utilization. Treasury Control Unit under the Budget Planning and Investor Relations Department also make cash flow projection reporting to the Treasury Department and the Asset Liability Committee at certain periods and when needed.

1.b Information on the centralization degree of consolidated liquidity management and funding strategy and the functioning between the Parent Bank and the Parent Bank's subsidiaries

Within the scope of consolidation, liquidity management is not centralized, and each subsidiary is responsible for its own liquidity management. However, the Parent Bank monitors the liquidity risk of each subsidiary within the defined limits.

1.c Information on the Parent Bank's funding strategy including the policies on funding types and variety of maturities

Among the main funding sources of the Parent Bank, there are development bank credits, capital market transactions, syndicated loans, bilateral contractual resources, repo transactions and money market transactions and these sources are diversified to minimize the liquidity risk within the terms of market conditions. The funding planning based on those loans is performed long term such as a minimum of one year and the performance is monitored by the Asset and Liability Committee.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

1. Explanations related to the consolidated liquidity risk(continued):

1.ç Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Parent Bank's total liabilities:

The Bank's obligations consist of Turkish Lira (TRY), US Dollar (USD) and Euro (EUR) currency types. Turkish Lira obligations mainly consist of equity and repurchase agreements, whereas foreign currency obligations consist of foreign currency credits, securities issued and repurchase agreements. All loans provided from foreign sources are in foreign currencies. For this reason, foreign resources can be used in TL funding by currency swap transactions when necessary.

1.d Information on consolidated liquidity risk mitigation techniques:

Liquidity limits are defined for the purpose of monitoring and keeping the risk under certain levels. The Bank monitors those limits' utilization and informs the Board of Directors, the Bank Senior Management and the relevant departments regularly. Regarding those limits, the Treasury Department performs the required transactions with the relevant cost and term composition in accordance with market conditions from the sources previously defined in Article C. The Parent Bank minimizes the liquidity risk by holding high quality liquid assets and diversification of funds.

1.e Information on the use of stress tests

Within the scope of liquidity stress tests, the deteriorations that may occur in the cash flow structure of the Parent Bank are assessed by the Bank's scenarios. The results are analyzed by taking into account the risk appetite and capacity of the Bank and reported to the senior management by the Risk Management Department ensuring the necessary actions are taken.

1.f General information on urgent and unexpected consolidated liquidity situation plans:

There is a Contingency Funding Plan for the contingent periods that arises beyond the Parent Bank's control. In a potential liquidity shortfall, Treasury Department is responsible for assessment, taking relevant actions and informing Parent Bank's Asset and Liability Committee. In contingent cases, identifying the liquidity risk arising, cashflow projections and funding requirement estimations are exercised based on various scenarios. To assess the stress scenarios, cashflow in terms of local currency is monitored regularly by Treasury Department. Scenario analysis on the Parent Bank's unencumbered sources is conducted daily. Transaction limits for organized markets are monitored timely and essential collateral amount to trade in those markets is withheld at hand. Repo transactions and/or available portfolio securities in local and foreign currency that are major funding sources in shortfall periods for the Parent Bank are monitored consistently. TSKB has the optionality of choosing one or more of the following to meet its liquidity requirements that are selling liquid assets off, increasing short term borrowing, decreasing illiquid assets, increasing capital.

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

2. Consolidated liquidity coverage ratio

According to regulations which is published on 28948 numbered gazette on March 21, 2014, related to calculation of liquidity coverage ratio of banks, calculated liquidity coverage ratios are shown below. Including the reporting period for the last three months consolidated foreign currency and total liquidity coverage ratio and consolidated foreign currency and total liquidity coverage ratio's minimum and maximum levels are shown below by specified thereby weekly:

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
31/10/2025	628	823	304	416
30/11/2025	747	858	501	556
31/12/2025	429	400	485	471

	Total Value Before Application of the Consideration Rate		Total Value After Application of the Consideration Rate	
	TL+FC	FC	TL+FC	FC
Current Period				
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets			35.112.357	19.838.098
CASH OUTFLOWS				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business Customers Deposits	16.822.902	10.822.448	15.579.653	9.682.851
6 Operational deposits	798.787	666.356	199.696	166.589
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	16.024.115	10.156.092	15.379.957	9.516.262
9 Secured funding			-	-
10 Other Cash Outflows	833.684	654.215	833.684	654.215
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	833.684	654.215	833.684	654.215
12 Debts related to structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	63.905.661	49.785.802	8.495.494	4.230.099
16 TOTAL CASH OUTFLOWS			24.908.831	14.567.165
CASH INFLOWS				
17 Secured Lending Transactions	23.847	-	-	-
18 Unsecured Lending Transactions	29.491.748	15.253.376	24.561.418	12.867.017
19 Other contractual cash inflows	323.933	14.086.097	323.933	14.086.097
20 TOTAL CASH INFLOWS	29.839.528	29.339.473	24.885.351	26.953.114
			Upper Limit Applied Amounts	
21 TOTAL HQLA STOCK			35.112.357	19.838.098
22 TOTAL NET CASH OUTFLOWS			6.227.208	3.641.791
23 LIQUIDITY COVERAGE RATIO (%)			564	545

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(Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

2. Consolidated liquidity coverage ratio

Prior Period	Total Value Before Application of the Consideration Rate		Total Value After Application of the Consideration Rate	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets			26.058.002	14.732.390
CASH OUTFLOWS				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business Customers Deposits	15.974.202	10.629.485	14.470.854	9.201.564
6 Operational deposits	647.307	575.843	161.827	143.961
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	15.326.895	10.053.642	14.309.027	9.057.603
9 Secured funding			-	-
10 Other Cash Outflows	640.678	1.060.510	640.678	1.060.510
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	547.095	966.927	547.095	966.927
12 Debts related to structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	93.583	93.583	93.583	93.583
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	43.052.539	30.674.778	5.970.404	2.781.144
16 TOTAL CASH OUTFLOWS			21.081.936	13.043.218
CASH INFLOWS				
17 Secured Lending Transactions	10.004	-	-	-
18 Unsecured Lending Transactions	18.703.749	14.014.377	14.013.803	10.789.468
19 Other contractual cash inflows	958.799	6.648.925	958.799	6.648.925
20 TOTAL CASH INFLOWS	19.672.552	20.663.302	14.972.602	17.438.393
			Upper Limit Applied Amounts	
21 TOTAL HQLA STOCK			26.058.002	14.732.390
22 TOTAL NET CASH OUTFLOWS			6.109.334	3.260.805
23 LIQUIDITY COVERAGE RATIO (%)			427	452

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

3. Minimum explanations related to the liquidity coverage ratio by Banks:

As per The Regulation on The Calculation of Liquidity Coverage Ratio, Liquidity Coverage Ratio is the ratio of high-quality liquid assets to net cash outflows. For total and foreign currency limits 100% and minimum 80% are assigned on consolidated and unconsolidated basis respectively. For the development and investment banks, Banking Regulations and Supervision Agency decided to apply zero percent to the total and foreign currency consolidated and unconsolidated liquidity coverage ratios unless stated otherwise.

In the Liquidity Coverage Ratio calculation, the items with the highest impact are high quality liquid assets, foreign funds and money market transactions. High quality liquid assets mainly consist of the required reserves held in the Central Bank of the Republic of Turkey and unencumbered securities issued by the Treasury.

The main source of funds of the main partnership Bank is long-term resources established from international financial institutions. The share of these resources in total funding is approximately 60,5%, and the share of resources provided by securities, subordinated debt instruments and syndication loans issued within the scope of bank resources diversification activities in total borrowing is 33,4. 6,1% of the parent Bank's total funding comes from repo money markets.

30-day cash flows arising from derivative transactions are included in the calculation in accordance with the Regulation. The Bank also takes into consideration the liabilities depending on the possibility of changing the fair values of the derivative transactions in accordance with the Regulation.

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(Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)
Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)(2)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	5.703.137	-	-	-	-	-	5.703.137
Banks	1.642.221	7.417.350	-	-	-	-	-	9.059.571
Financial Assets at Fair Value Through Profit and Loss (3)	941.454	1.275.069	38.588	557.850	16.227	-	2.889.495	5.718.683
Money Market Placements	-	5.773.422	3.231.935	835.291	-	-	-	9.840.648
Financial Assets at Fair Value Through Other Comprehensive Income	-	246.950	1.967.540	3.362.004	15.848.434	3.773.536	2.022.483	27.220.947
Loans	-	14.258.895	14.762.004	45.824.523	130.350.757	31.007.121	-	236.203.300
Financial Assets Measured at Amortized Cost	-	-	-	-	18.241.524	9.138.924	-	27.380.448
Other Assets(2)	799.422	-	-	-	-	-	12.367.362	13.166.784
Total Assets	3.383.097	34.674.823	20.000.067	50.579.668	164.456.942	43.919.581	17.279.340	334.293.518
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	6.747.644	4.619.286	26.398.777	70.352.727	85.499.931	-	193.618.365
Money Market Borrowings	-	8.193.145	2.464.716	-	-	-	-	10.657.861
Marketable Securities Issued (4)	-	17.211.079	341.830	818.764	55.364.667	-	-	73.736.340
Miscellaneous Payables	-	-	-	-	-	-	3.482.467	3.482.467
Other Liabilities	-	791.005	271.254	853.184	124.501	-	50.758.541	52.798.485
Total Liabilities	-	32.942.873	7.697.086	28.070.725	125.841.895	85.499.931	54.241.008	334.293.518
Liquidity Gap	3.383.097	1.731.950	12.302.981	22.508.943	38.615.047	(41.580.350)	(36.961.668)	-
Net Off-balance sheet Position	-	(267.435)	(160.743)	34.696	119.407	(12.026)	-	(286.101)
Financial Derivative Assets	-	37.411.855	11.513.268	15.355.354	59.978.816	5.037.534	-	129.296.827
Financial Derivative Liabilities	-	37.679.290	11.674.011	15.320.658	59.859.409	5.049.560	-	129.582.928
Non-cash Loans	-	250.383	686.673	11.151.382	5.775.742	13.272.366	2.966.369	34.102.915
Prior Period								
Total Assets	2.524.753	21.430.898	11.196.672	44.540.312	110.485.811	36.127.908	11.222.628	237.528.982
Total Liabilities	-	22.195.139	4.891.386	25.509.216	87.786.985	55.747.228	41.399.028	237.528.982
Liquidity Gap	2.524.753	(764.241)	6.305.286	19.031.096	22.698.826	(19.619.320)	(30.176.400)	-
Net Off-balance sheet Position	-	739.691	216.047	115.452	716.524	(6.886)	-	1.780.828
Financial Derivative Assets	-	28.749.715	7.606.176	14.631.450	37.904.292	4.817.848	-	93.709.481
Financial Derivative Liabilities	-	28.010.024	7.390.129	14.515.998	37.187.768	4.824.734	-	91.928.653
Non-cash Loans	-	803.618	3.927.079	7.341.596	2.175.410	6.263.934	1.083.701	21.595.338

(1) Among the active accounts that make up the balance sheet, other assets that are required for the continuation of banking activities such as tangible assets, intangible assets, associates and subsidiaries, deferred tax assets, stocks, prepaid expenses and non-performing loans, which do not have a chance to turn into cash in a short time, and other liabilities, total shareholders' equity, provisions, and passive accounts such as tax liability are shown in the "Unallocated" column.
(2) First and second stage expected loss provisions are shown in other assets, unallocated column.
(3) Includes derivative financial assets and loans at fair value through profit or loss.
(4) It also includes issued bonds that possess the characteristics of Tier 1 capital, classified under capital-like debt instruments on the balance sheet.

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VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

4. Net stable funding ratio

Pursuant to the "Regulation on the Calculation of Banks' Net Stable Funding Rate" published in the Official Gazette dated 26 May 2023 and numbered 32202, the procedures and principles have been determined to ensure that banks provide stable funding in order to prevent the funding risk that they may be exposed to on a consolidated and non-consolidated basis in the long term from causing deterioration in their liquidity levels.

The net stable funding ratio is calculated on a consolidated and non-consolidated basis by dividing the current stable fund amount by the required stable fund amount. The current stable fund represents the part of banks' liabilities and equity that is expected to be permanent; the required stable fund represents the part of banks' on-balance sheet assets and off-balance sheet liabilities that is expected to be re-funded. The current stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the amounts of banks' liabilities and equity elements valued in accordance with TFRS. The required stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the value calculated by deducting the specific provisions set aside in accordance with the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside from the TFRS valued amounts of banks' on-balance sheet assets and off-balance sheet liabilities.

The three-month simple arithmetic average of the consolidated and non-consolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than one hundred percent as of the periods of March, June, September and December. Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board.

The three-month simple arithmetic average of the net stable funding rates for the last three months including the reporting period was calculated as 131,18%, and the three-month simple arithmetic average of the previous period was calculated as 125,22 %.

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

4. Net stable funding ratio (continued)

Current Period	a	b	c	d	e
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Without maturity	Less than 6 Months Term	6 Months to More than 6 Months and Less than 1 Year Term	1 Year and Longer Term	
Current Stable Fund					
1 Equity Elements	50.445.634	-	-	12.800.760	63.246.394
2 Core capital and supplementary capital	50.445.634	-	-	12.800.760	63.246.394
3 Other equity elements	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Low stability deposit/participation fund	-	-	-	-	-
7 Debts to other persons	1.010.220	48.359.826	18.339.477	198.416.414	211.645.747
8 Operational deposit/participation fund	1.010.220	-	-	-	505.110
9 Other debts	-	48.359.826	18.339.477	198.416.414	211.140.637
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other obligations	4.611.466	3.257.046	-	-	-
12 Derivative liabilities	-	-	842.963	-	-
13 Other equity items and Liabilities not included above	4.611.466	2.414.083	-	-	-
14 Current Stable Fund					274.892.141
Stable Fund Required					
15 High quality liquid assets	-	-	-	-	10.040.184
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	276.581	62.450.312	29.400.017	160.967.318	174.047.446
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	26.655.993	3.120.526	6.931.256	12.489.918
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	35.666.744	26.100.621	153.934.973	161.083.286
21 Receivables subject to a risk weight of 35% or less	-	-	-	3.225.622	2.096.654
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	276.581	127.575	178.870	101.089	474.242
25 Assets equivalent to interdependent liabilities	-	-	-	-	-
26 Other assets	25.302.926	2.322.502	-	-	27.527.961
27 Physically delivered commodities including gold	-	-	-	-	-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty	-	-	649.782	-	552.315
29 Derivative assets	-	-	47.688	-	47.688
30 Amount of derivative liabilities before deducting the variation margin	-	-	148.763	-	148.763
31 Other assets not listed above	25.302.926	1.476.269	-	-	26.779.195
32 Off-balance sheet liabilities	10.875.771	6.866.031	-	50.042.198	3.389.200
33 Stable Fund Required					215.004.791
34 Net Stable Funding Rate (%)					127.85

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VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

4. Net stable funding ratio (continued)

Prior Period	a	b	c	d	e
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Without maturity	Less than 6 Months Term	6 Months to More than 6 Months and Less than 1 Year Term	1 Year and Longer Term	
Current Stable Fund					
1 Equity Elements	35.457.039	-	-	10.519.950	45.976.989
2 Core capital and supplementary capital	35.457.039	-	-	10.519.950	45.976.989
3 Other equity elements	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Low stability deposit/participation fund	-	-	-	-	-
7 Debts to other persons	683.899	35.793.692	13.112.249	132.832.125	145.610.581
8 Operational deposit/participation fund	683.899	-	-	-	341.950
9 Other debts	-	35.793.692	13.112.249	132.832.125	145.268.631
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other obligations	4.968.238	1.121.633	-	-	-
12 Derivative liabilities	-	-	698.546	-	-
13 Other equity items and liabilities not included above	4.968.238	423.087	-	-	-
14 Current Stable Fund					191.587.570
Stable Fund Required					
15 High quality liquid assets	-	-	-	-	11.757.090
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	80.563	41.438.826	23.351.297	110.947.914	120.618.270
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	16.429.058	3.421.530	3.174.415	7.349.540
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	24.679.646	19.924.695	107.445.234	112.793.194
21 Receivables subject to a risk weight of 35% or less	-	-	-	4.187.132	2.721.636
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	80.563	330.122	5.072	328.265	475.536
25 Assets equivalent to interdependent liabilities	-	-	-	-	-
26 Other assets	16.973.438	981.776	-	-	17.894.046
27 Physically delivered commodities including gold	-	-	-	-	-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty	-	-	407.787	-	346.619
29 Derivative assets	-	-	42.398	-	42.398
30 Amount of derivative liabilities before deducting the variation margin	-	-	73.887	-	73.887
31 Other assets not listed above	16.973.438	457.704	-	-	17.431.142
32 Off-balance sheet liabilities	-	5.874.833	8.556.715	26.335.888	2.038.372
33 Stable Fund Required					152.307.778
34 Net Stable Funding Rate (%)					125,79

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VII. Explanations regarding the consolidated leverage ratio

a) Information about the consolidated leverage ratio between current and prior periods

The table regarding the leverage ratio calculated in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks" published in the Official Gazette dated November 5, 2013 and numbered 28812 is given below.
As of the balance sheet date of the Group, the leverage ratio calculated on the basis of the arithmetic average of the values found at the end of the month in the past three months was 14,68 % (December 31, 2024: 15,28%). The amount of on-balance sheet assets decreased by approximately 3,87 % compared to the previous period.

b) Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS

	Current Period (3)	Prior Period
1 Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS (2)	237.097.458	180.588.948
2 The difference between Amount of Asset in the Consolidated Financial Statements Prepared in Accordance with TAS and the Communiqué on Preparation of Consolidated Financial Statements of Banks (2)	(97.196.060)	(56.940.034)
3 The difference between total amount and total risk amount of derivative financial instruments with credit derivative in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	287.868	2.057.453
4 The difference between total amount and total risk amount of risk investment securities or commodity collateral financing transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	11.865.972	3.435.271
5 The difference between total amount and total risk amount of off-balance sheet transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	(18.943.134)	(10.738.272)
6 The other differences between amount of assets and risk in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	-	-
7 Total Exposures (1)	383.137.863	270.331.017

(1) The arithmetic average of the last 3 months in the related periods.
(2) Consolidated financial statements prepared pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks.
(3) As of the current period, the consolidated financial statements prepared pursuant to TAS were not yet ready, and the consolidated financial statements prepared pursuant to TAS dated 31 December 2024 and 31 December 2023 as of the previous period were used.

c) Consolidated Leverage Ratio

	Current Period (1)	Prior Period (1)
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	331.132.472	233.627.122
2 (Assets deducted from Core capital)	(1.894.671)	(1.150.917)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	329.237.801	232.476.205
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	216.518	173.291
5 Potential credit risk amount of derivative financial assets and credit derivatives	1.383.348	826.964
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	1.599.866	1.000.255
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity	3.045.310	1.523.450
8 Risk amount arising from intermediary transactions	455.633	32.812
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.500.943	1.556.262
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	67.742.387	46.036.567
11 (Correction amount due to multiplication with credit conversion rates)	(18.943.134)	(10.738.272)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	48.799.253	35.298.295
Capital and total risk		
13 Core Capital	56.263.371	41.297.892
14 Total risk amount (sum of lines 3, 6, 9 and 12)	383.137.863	270.331.017
15 Leverage ratio	14,68%	15,28%

(1) The footnote format has been prepared by taking the average amounts for three months according to the BRSÄ regulations

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value

The table below shows the carrying and fair values of the financial assets and liabilities in the consolidated financial statements of the Group.

	Carrying Value Current Period	Fair Value Current Period
Financial Assets	313.949.737	309.177.771
Money Market Placements	9.840.648	9.840.648
Banks	9.059.571	9.059.571
Financial Assets at Fair Value Through Other Comprehensive Income	27.220.947	27.220.947
Financial Assets Measured at Amortized Cost	27.380.448	26.751.198
Loans (1)	240.448.123	236.305.407
Financial Liabilities	283.251.486	280.979.212
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions (2)	205.286.446	205.286.446
Marketable Securities Issued (3)	73.736.340	71.460.456
Miscellaneous Payables	4.228.700	4.232.310

(1) Loans include financial lease receivables.
(2) Funds provided by other financial institutions include loans, borrowed funds and debts to money markets.
(3) The securities issued include bonds with additional subordinated loan characteristics, which are classified under subordinated loans.

	Carrying Value Prior Period	Fair Value Prior Period
Financial Assets	221.664.878	217.104.220
Money Market Placements	1.952.629	1.952.629
Banks	7.903.873	7.903.873
Financial Assets at Fair Value Through Other Comprehensive Income	18.304.526	18.304.526
Financial Assets Measured at Amortized Cost	24.219.715	23.405.835
Loans (1)	169.284.135	165.537.357
Financial Liabilities	199.800.722	196.270.470
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions (2)	130.819.857	130.819.857
Marketable Securities Issued (3)	64.313.216	60.778.652
Miscellaneous Payables	4.667.649	4.671.961

(1) Loans include financial lease receivables.
(2) Funds provided by other financial institutions include loans, borrowed funds and debts to money markets.
(3) The securities issued include bonds with additional subordinated loan characteristics, which are classified under subordinated loans.

The methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

i- For the fair value calculation of loans, the prevailing interest rates as of the reporting date were used.

ii- Interest rates applicable as of the balance sheet date were used to calculate the fair value of the bank account.

iii- The stock market value as of the balance sheet date was used to calculate the actual value of the financial assets measured by the amortized cost.

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

iv- For the fair value calculation of marketable securities, market prices as of the reporting date were used.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involve the use of non-observable inputs.

The table below analyses financial instruments carried at fair value, by valuation method.

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);

c) Inputs for the asset or liability that are not based on observable market data (Level 3).

	Current Period	Level I	Level II	Level III
Financial Assets				
Financial Assets at Fair Value Through Profit or Loss	3.830.949	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	18.693.961	6.903.223	1.602.454	-
Loans at Fair Value Through Profit or Loss	-	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.671.966	-	-
Derivative Financial Assets for Hedging Purposes (2)	-	215.768	-	-
Financial Liabilities				
Derivative Financial Liabilities Held-for-trading (3)	-	1.100.256	-	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	561.921	-	-

(1) Securities worth TL 21.309 under the financial assets item whose fair value difference is reflected in other comprehensive income are reflected in the financial statements at their acquisition cost since they are not traded in an active market, and these assets are not shown in this table.
(2) Positive differences between Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss" line in the balance sheet.
(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss" line in the balance sheet.

	Prior Period	Level I	Level II	Level III
Financial Assets				
Financial Assets at Fair Value Through Profit or Loss	1.650.591	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	11.736.043	5.556.027	992.514	-
Loans at Fair Value Through Profit or Loss	-	-	-	-
Derivative Financial Assets Held-for-Trading (2)	-	1.938.301	-	-
Derivative Financial Assets for Hedging Purposes (2)	-	1.119.407	-	-
Financial Liabilities				
Derivative Financial Liabilities Held-for-Trading (3)	-	880.687	-	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	417.848	-	-

(1) Securities worth TL 19.941 under the financial assets item whose fair value difference is reflected in other comprehensive income are reflected in the financial statements at their acquisition cost since they are not traded in an active market, and these assets are not shown in this table.
(2) Positive differences between Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss" line in the balance sheet.
(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss" line in the balance sheet.

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SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

The statement of movement of financial assets at level 3 is given below.

	Current Period	Prior Period
Balance Per Period	97.732	3.191
Purchases	-	-
Redemption or Sale	-	-
Valuation Difference	99.426	94.541
Transfers	-	-
End of Period Balance	197.158	97.732

The real estate registered by the parent company Bank under tangible assets at fair value is at level 2, and the investment properties of the companies included in the consolidation are at level 2 and 3.

IX. Transactions made on behalf and on behalf of others, explanations and footnotes on faith-based transactions

The main partnership Bank provides management and consultancy services in the name and account of others, such as purchase, sale, custody, financial matters. No faith-based transactions are carried out by the parent company Bank.

X. Disclosures on consolidated risk management

Linkages between financial statements and risk amounts

The footnotes and related explanations prepared in accordance with the "Communiqué on Public Disclosures to be Made by Banks on Risk Management" published in the Official Gazette No. 29511 on October 23, 2015 and entered into force as of March 31, 2016 are given in this section.

Since the standard approach is used in the Bank's capital adequacy calculation, tables on methods based on internal models are not included in accordance with the relevant communiqué.

SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations on the Parent Bank's risk management approach and risk weighted amounts

Within the scope of the risk management approach of the parent Bank, the policies and implementation principles determined by the Board of Directors and in a way that serves to create a common risk culture throughout the institution; It is in a structure where risks are defined in accordance with international regulations and measurement, analysis, monitoring and reporting activities are carried out within this framework.

A Risk Management Department has been established within the Bank in order to ensure compliance with the relevant policies, implementation principles and processes and to manage the risks faced by the Bank in line with these policies. The Risk Management Department, whose duties and responsibilities are determined by the regulations approved by the Board of Directors, is independent of executive activities and executive units and reports to the Audit Committee. In addition, the Risk Committee has been established and meets regularly in order to assess the risks to which the Bank is exposed, to formulate risk management policies and submit them to the Board of Directors for approval, to determine the practices related to the management of risks and risk limits, to submit them to the Board of Directors for approval, to monitor them, and to ensure coordination between the Bank's executive units and internal systems.

The Risk Management Department carries out these activities by developing the systems needed in the risk management process, monitors the compliance of risks with policies and standards, the Parent Bank's limits and risk appetite indicators, and continues its efforts to comply with the relevant legal regulations and Basel criteria. In addition to the standard approaches used for legal reporting, the risk measurements subject to reporting are also carried out with advanced approaches through internal models and are also supported by stress tests.

The Risk Management Department submits detailed solo and consolidated risk management reports prepared on a monthly and quarterly basis to the Board of Directors through the Audit Committee. In these reports, measurements, stress tests and scenario analyses related to basic risks are included, and compliance with the determined limit level and risk appetite indicators is monitored.

Stress tests on credit, market and interest rate risk are carried out at regular intervals to conduct forward-looking risk assessments and assess the impact of the results on the Parent Bank's financial strength in general. The relevant results are reported to the Audit Committee and contribute to the assessment of the Parent Bank's financial structure in times of stress. Stress test scenarios are created by evaluating the effects of past economic crises on macroeconomic indicators and expectations for the future period. In the light of the stress scenarios created, the Parent Bank's risks and capital position in the upcoming period are predicted, necessary analyses are made in terms of legal and internal capital adequacy ratios, and the ISEDES report is reported to the BRSA.

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SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (Continued)

Overview of risk weighted assets

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk)	201.961.300	141.041.065	16.156.903
2	Standardised approach	201.961.300	141.041.065	16.156.903
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2.106.551	1.373.802	168.524
5	Standardised approach for counterparty credit risk	2.106.551	1.373.802	168.524
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	Simplified supervisory formula approach	-	-	-
16	Market risk	3.115.150	1.717.513	249.212
17	Standardised approach	3.115.150	1.717.513	249.212
18	Internal model approaches	-	-	-
19	Operational risk	23.764.846	16.284.961	1.901.188
20	Basic indicator approach	23.764.846	16.284.961	1.901.188
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	11.444.145	8.177.760	915.532
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	242.391.992	168.595.101	19.391.359

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation

Current Period	Carrying values in consolidated financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
Assets			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Cash and balances at Central Bank	2.877.323	5.697.491	5.703.137	-	-	-	-
Banks	7.901.634	9.052.882	8.472.501	1.271.623	-	-	-
Money Market Placements	1.952.043	9.839.503	9.824.968	15.680	-	-	-
Financial Assets at Fair Value Through Profit or Loss	1.650.591	3.830.949	2.859.861	-	-	971.088	-
Financial Assets at Fair Value Through Other Comprehensive Income	18.469.743	27.220.947	27.057.873	2.087.808	-	-	-
Financial Assets Measured at Amortized Cost	24.199.514	27.361.109	27.380.448	13.020.788	-	-	-
Derivative Financial Assets	3.057.708	1.887.734	-	1.887.734	-	883.049	-
Loans	160.607.476	228.793.094	239.302.127	-	-	-	-
Leasing Receivables	417.553	990.070	1.148.738	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Assets Held for Sale and Discontinued Operations	-	-	-	-	-	-	-
Associates (net)	4.196.325	5.508.367	5.508.367	-	-	-	1.426.971
Subsidiaries (net)	-	172.208	172.208	-	-	-	-
Joint-Ventures (net)	-	61.330	61.330	-	-	-	-
Tangible Assets (net)	3.156.735	4.255.952	4.248.853	-	-	-	7.099
Intangible Assets (net)	7.218	26.892	-	-	-	-	26.892
Investment Properties (net)	2.403.800	3.263.130	3.263.130	-	-	-	-
Tax Assets	2.679	4.894	-	-	-	-	-
Deferred Tax Assets	312.481	627.624	627.624	-	-	-	-
Other Assets	5.884.635	5.699.342	4.360.602	1.357.881	-	-	8.814
Total Assets	237.097.458	334.293.518	339.996.661	19.641.514	-	1.854.137	1.469.776

(1) Pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, the financial statements prepared as of 31 December 2024 were used.
(2) The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks are included in accordance with the TAS.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation

Current Period	Carrying values in consolidated financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
Liabilities			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Deposits	-	-	-	-	-	-	-
Funds Borrowed	123.759.354	193.618.365	-	6.275.374	-	-	187.342.991
Money Market Funds	6.133.453	10.657.861	-	6.032.581	-	-	4.625.280
Securities Issued	53.512.352	60.593.749	-	-	-	-	60.593.749
Funds	683.899	1.010.220	-	-	-	-	1.010.220
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	1.298.535	1.662.177	-	844.297	-	741.075	102.019
Factoring Payables	-	-	-	-	-	-	-
Lease Payables	41.552	84.274	-	-	-	-	84.274
Provisions	2.178.385	1.665.403	-	-	-	-	1.665.403
Current Tax Liability	313.494	527.154	-	-	-	-	527.154
Deferred tax Liability	334.512	590.628	-	-	-	-	590.628
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-	-
Subordinated Debts	10.800.864	13.142.591	-	-	-	-	13.142.591
Other Liabilities	4.788.984	4.277.371	-	1.658.726	-	-	2.618.645
Shareholders' Equity	33.252.074	46.463.725	-	-	-	-	46.463.725
Total Liabilities	237.097.458	334.293.518	-	14.810.978	-	741.075	318.766.679

(1) Pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, the financial statements prepared as of 31 December 2024 were used
(2) The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks are included in accordance with the TAS.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation (continued)

Prior Period	Carrying values in financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and Balances at Central Bank	2.942.305	2.877.323	2.880.425	-	-	-	-
Bank	5.256.480	7.901.632	7.553.586	390.595	-	-	-
Money Market Placements	7.424.015	1.952.043	1.945.961	6.668	-	-	-
Financial Assets at Fair Value through Profit and Loss	409.358	1.650.591	1.358.675	-	-	307.967	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.883.962	18.304.526	18.400.503	1.985.056	-	-	-
Financial Assets Measured at Amortized Cost	18.880.650	24.199.515	24.219.715	3.702.276	-	-	-
Derivative Financial Assets	1.934.697	3.057.708	3.057.708	-	-	730.933	-
Loans	122.766.926	160.921.050	168.866.581	-	-	-	-
Finance Lease Receivables	452.370	299.706	417.553	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Investment Held-to-Maturity (net)	-	-	-	-	-	-	-
Investment in Associates (net)	2.822.284	4.201.492	4.201.492	-	-	-	1.137.295
Investment in Subsidiaries (net)	-	133.444	133.444	-	-	-	-
Joint-Ventures (net)	-	26.606	26.606	-	-	-	-
Tangible Assets (net)	2.237.255	3.156.735	3.151.173	-	-	-	5.562
Intangible Assets (net)	7.113	8.223	-	-	-	-	8.223
Investment Properties (net)	1.430.350	2.403.800	2.403.800	-	-	-	-
Current Tax Assets	691	2.679	2.679	-	-	-	-
Deferred Tax Assets	1.480.605	312.481	312.481	-	-	-	-
Other Assets	2.659.887	6.119.428	3.057.571	1.020.148	-	-	2.062.453
Total Assets	180.588.948	237.528.982	238.932.245	10.162.451	-	1.038.900	3.213.533

(1) The consolidated financial statements prepared in accordance with the sixth paragraph of Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks as at June 30, 2024 are used.

(2) The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation (continued)

Prior Period	Carrying values in financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Liabilities							
Deposits	-	-	-	-	-	-	-
Funds Borrowed	106.710.140	124.002.505	-	717.434	-	-	123.285.071
Money Market Funds	3.727.880	6.133.453	-	3.279.614	-	-	2.853.839
Securities Issued	34.148.450	53.512.352	-	-	-	-	53.512.352
Funds	1.482.480	683.899	-	-	-	-	683.899
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	1.148.158	1.298.535	-	617.723	-	612.987	74.905
Factoring Payables	-	-	-	-	-	-	-
Lease Payables	39.250	41.552	-	-	-	-	41.552
Provisions	1.928.404	2.405.013	-	-	-	-	2.405.013
Current Tax Liability	866.968	457.912	-	-	-	-	457.912
Deferred tax Liability	-	334.512	-	-	-	-	334.512
Liabilities for Assets Held for Sale and Discontinued Operations	-	-	-	-	-	-	-
Subordinated Debts	6.043.090	10.800.864	-	-	-	-	10.800.864
Other Liabilities	2.569.701	4.705.685	-	2.517.413	-	-	2.189.841
Shareholders' Equity	21.924.427	33.152.700	-	-	-	-	33.152.700
Total Liabilities	180.588.948	237.528.982	-	7.132.184	-	612.987	229.792.460

(1) The consolidated financial statements prepared in accordance with the sixth paragraph of Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks as at June 30, 2024 are used.

(2) The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", has been included.

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SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

The differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit Risk (1)	Securitization Positions	Counterparty credit risk (1)	Market risk (2)
1	Asset carrying value amount under scope of regulatory consolidation	326.656.849	339.996.661	-	19.641.514	1.854.137
2	Liabilities carrying value amount under regulatory scope of consolidation	326.656.849		-	14.810.978	741.075
3	Total net amount	-	339.996.661	-	4.830.536	1.113.062
4	Off-balance sheet amounts	320.791.086	28.353.585	-	993.402	-
5	Differences due to prudential filters		(81.880.281)	-	(1.364.897)	2.002.088
	Risk Amounts		286.469.965	-	4.459.041	3.115.150

(1) The risk amount before the Credit Risk Mitigation are given in credit risk and the counterparty credit risk.

(2) The valuation amounts of financial instruments included in trading accounts in accordance with TAS are included.

	Prior Period	Total	Credit Risk (1)	Securitization Positions	Counterparty credit risk (1)	Market risk (2)
1	Asset carrying value amount under scope of regulatory consolidation	237.528.982	238.932.239	-	10.162.451	1.038.900
2	Liabilities carrying value amount under regulatory scope of consolidation	237.528.982		-	7.132.184	612.987
3	Total net amount		238.932.239	-	3.030.267	425.913
4	Off-balance sheet amounts	227.290.015	16.189.693	-	557.124	-
5	Differences due to prudential filters	-	(53.413.305)	-	(742.159)	1.291.600
	Risk Amounts	-	201.708.627	-	2.845.232	1.717.513

(1) The risk amount before the Credit Risk Mitigation are given in credit risk and the counterparty credit risk.

(2) Gross position amounts included in the calculation of market risk are taken as basis.

SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

The differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

There is no major differences between the financial and regulatory scope of consolidation.

Difference between the amounts of assets within the scope of legal consolidation as valued in accordance with TAS and credit risk exposures results from the transactions which are not subject to credit risk. Difference between off-balance sheet exposures and credit risk exposures results from the application of credit conversion factors to off-balance sheet exposures in line with the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks.

The Parent Bank takes into consideration the principles stipulated in Annex 3 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks for all positions concerning its trading and banking book to be considered in the measurement of its fair value and capital adequacy. The Bank generally uses fair value as valuation methodology. Valuation methods are covered in detail under the title "VIII. Disclosures on financial assets" in section "Accounting Policies" of section three of the report.

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SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations on credit risk

General qualitative information on credit risk

Credit risk is the possibility of incurring losses due to the credit fulfill customer or the counterparty, with whom the Bank has made an agreement with, does not fulfill its obligations appropriately or is not able to meet these obligations. While the largest and most visible source of credit risk consists of the loans extended by the bank, other assets included in balance sheets, non-cash loans and commitments are also taken into consideration within the scope of credit risk.

Credit risk is measured and managed in accordance with the Credit Risk Policies developed within the scope of the Risk Management Policies of the Bank. In this sense, the structure and characteristics of a loan, the provisions of loan agreements and financial conditions, structure of the risk profile until the end of maturity in parallel with potential market trends, guarantees and collaterals, internal risk ratings and potential changes with regard to the ratings in the process of risk exposure and concentrations (a single company, a group of affiliated companies, sector, country etc.) are taken into consideration. Compliance with the limits and risk appetite levels determined by the Board of Directors is monitored.

Credit risk is managed by loan allocation and loan monitoring units in the Parent Bank. Creditworthiness of loan customers is monitored and reviewed on a regular basis. Credit limits are set by the Board of Directors, the credit committee of the bank and the loan management. The Bank receives a sufficient amount of collateral in return for the loans extended thereby and its other receivables.

Credit risk is measured, monitored and reported by the Risk Management Department. Concentrations in the loan portfolio, loan quality of the portfolio, collateral structure, measurements concerning capital adequacy, stress tests and scenario analyses and the level of compliance with limits are regularly reported to the Board of Directors and the senior management.

Credit quality of assets

	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values (a+b+c)	
Current Period	Defaulted (a)	Non-defaulted (b)	(c)	(d)	
1	Loans	5.721.092	287.020.308	10.706.391	282.035.009
2	Debt Securities	-	52.645.957	67.044	52.578.913
3	Off-balance sheet	21.105	72.745.139	152.726	72.613.518
4	Total	5.742.197	412.411.404	10.926.161	407.227.440

	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values (a+b-c)	
Prior Period	Defaulted (a)	Non-defaulted (b)	(c)	(d)	
1	Loans	3.680.487	201.048.231	8.090.050	196.638.668
2	Debt Securities	-	41.508.924	122.163	41.386.761
3	Off-balance sheet	8.306	41.725.002	117.571	41.615.737
4	Total	3.688.793	284.282.157	8.329.784	279.641.166

SECTION FOUR (Continued) INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Changes in stock of default loans and debt securities

	Current Period	Balance
1	Defaulted loans and debt securities at end of the previous reporting	3.688.793
2	Loans and debt securities that have defaulted since the last reporting period	3.865.505
3	Receivables back to non-defaulted status	-
4	Amounts written off (-)	-
5	Other changes (1)	(1.812.101)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	5.742.197

	Prior Period	Balance
1	Defaulted loans and debt securities at end of the previous reporting	4.211.879
2	Loans and debt securities that have defaulted since the last reporting period	270.815
3	Receivables back to non-defaulted status	-
4	Amounts written off (-)	-
5	Other changes (1)	(793.901)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	3.688.793

(1) (1) It includes collections from receivables that have gone into default during the period.

Additional disclosure related to the credit quality of assets

The Parent Bank considers stage 2 loans that collections of principal and interest payments have not been realized on due dates as past due in accordance with the “Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables”.

Loans that collections of principal and interest payments are overdue more than 90 days and losing creditworthiness is considered by the Parent Bank as impaired or provisioned loans.

General loan loss provision is calculated for past due loans; Specific provision is calculated for impaired loans. The methods used in determining the provision amounts are explained in Section Three Note VIII.

Refinancing and restructuring; is the replacement of one or several loans extended by the Parent Bank to a new loan that will cover the principal or interest payment in whole or in part due to the financial distress expected by the customer or the group in the present or future, or change the terms in the current loans to ensure that the debt can be paid.

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations related to consolidated risk management (continued)
Explanations related to consolidated credit risk (continued)
Additional disclosure related to the credit quality of assets (continued)

Breakdown of receivables according to major regions, sectors and remaining maturities

Breakdown of receivables by major regions, sectors and remaining maturities is included in notes under Section Four, Note II, "Explanations Related to Consolidated Credit Risk."

Impaired loans on the basis of major regions and sectors and amounts written off corresponding provisions

On the basis of geographical regions, the Bank's reserve receivables consist of domestic receivables. On a sector-by-sector basis, the Bank's reserve receivables and related reserve amounts are included in the note "Miscellaneous information according to important sectors or counterparty type" under "Disclosures Regarding Consolidated Credit Risk" in Chapter II of Chapter Four.

As of December 31, 2025, there are no written off from receivables. (December 31, 2024: TL 84.611).

The aging analysis of the receivables past due

The aging analysis of the receivables past due is presented in footnote under Section Four II. "Explanations related to consolidated credit risk".

Credit Risk Mitigation

Qualitative disclosure on credit risk mitigation techniques

In valuations made within the scope of credit risk mitigation techniques, the methods used in relation to the valuation and management of collateral are carried out in parallel with the Communiqué on Credit Risk Reduction Techniques. Offsetting is not used as credit risk reduction technique.

Financial collaterals are assessed on a daily basis at the Parent Bank. Depending on the use of the comprehensive financial guarantee method, the risk-mitigating effects of the collateral are taken into account by means of standard volatility adjustments. Valuations of real estate mortgages used in capital adequacy calculations are regularly reviewed.

The value of the real estates is determined by the valuation institutions authorized by the CMB.

The main collateral that the Bank can use within the scope of credit risk mitigation techniques are; financial collateral, guarantees and mortgages. In the reporting conducted as of December 31, 2025, financial guarantees, guarantees and mortgages were used as credit risk reduction techniques in the calculation of the amount based on consolidated credit risk.

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations related to consolidated risk management (continued)
Explanations related to credit risk (continued)
Credit risk mitigation techniques - Standard approach

	Exposures unsecured: value in accordance with TAS.	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
Current Period							
1 Loans	266.242.579	20.426.933	5.869.426	195.014	21.160	-	-
2 Debt securities	52.578.913	-	-	-	-	-	-
3 Total	318.821.492	20.426.933	5.869.426	195.014	21.160	-	-
4 Of which default	5.721.092	-	-	-	-	-	-

	Exposures unsecured: value in accordance with TAS.	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
Prior Period							
1 Loans	183.316.700	12.526.307	3.836.066	699.686	9.326	-	-
2 Debt securities	41.482.738	-	-	-	-	-	-
3 Total	224.799.438	12.526.307	3.836.066	699.686	9.326	-	-
4 Of which default	3.680.487	-	-	-	-	-	-

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SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations related to consolidated risk management (continued)
Explanations related to credit risk (continued)
Credit risk under standard approach(continued)

Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

The related disclosures are included in footnotes "Credit risk under standard approach" under Section Four, Note II "Explanations related to consolidated credit risk" .

Credit risk exposure and credit risk mitigation effects

	Current Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	51.408.029	64.450	51.408.029	12.890	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	48	26.857	48	5.372	5.420	100%
4	Exposures to multilateral development banks	225.777	-	225.777	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	19.135.446	5.023.064	19.156.606	1.043.941	4.973.803	25%
7	Exposures to corporates	165.545.797	41.955.115	165.524.637	19.902.998	175.267.597	95%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-	-	-	-	-
10	Exposures secured by commercial real estate property	4.346.751	519	4.346.751	259	2.173.505	50%
11	Past due receivables	5.720.782	-	1.476.268	-	738.134	50%
12	Exposures in higher-risk categories	119	161.621	119	35.384	49.613	140%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	3.698.534	-	3.698.534	-	3.698.534	100%
16	Other exposures	14.661.978	107.211	13.536.927	107.212	13.644.139	100%
17	Equity investments	5.988.213	-	5.988.213	-	12.854.701	215%
18	Total	270.731.474	47.338.837	265.361.909	21.108.056	213.405.446	74%

SECTION FOUR (Continued)
INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations related to consolidated risk management (continued)
Explanations related to credit risk (continued)
Credit risk under standard approach (continued)
Credit risk exposure and credit risk mitigation effects (continued)

	Prior Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	39.038.328	-	39.040.549	-	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	326	232.156	326	46.431	46.757	100%
4	Exposures to multilateral development banks	106.747	-	106.747	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	9.697.224	4.953.791	9.702.456	1.030.086	2.976.811	28%
7	Exposures to corporates	120.166.360	24.455.013	120.158.907	11.705.174	123.199.715	93%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-	-	-	-	-
10	Exposures secured by commercial real estate property	3.198.999	-	3.198.999	-	1.599.500	50%
11	Past due receivables	3.680.195	-	457.704	-	228.852	50%
12	Exposures in higher-risk categories	107	10.956	107	2.613	2.003	74%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	1.627.653	-	1.627.654	-	1.627.653	100%
16	Other exposures	10.714.453	840.376	10.347.631	109.801	10.457.432	100%
17	Equity investments	4.173.443	-	4.173.443	-	9.080.099	218%
18	Total	192.403.835	30.492.292	188.814.523	12.894.105	149.218.822	74%

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standardised approach (continued)

Exposures by asset classes and risk weights

	Current Period					50% Secured by Real Estate Property								Total Risk Amount (after CCR and CVA)
	Risk Groups/ Risk Weight	0%	10%	20%	25%		75%	100%	150%	200%	250%	500%		
1	Exposures to sovereigns and their central banks	51.420.919	-	-	-	-	-	-	-	-	-	-	-	51.420.919
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	5.420	-	-	-	-	-	5.420
4	Exposures to multilateral development banks	225.777	-	-	-	-	-	-	-	-	-	-	-	225.777
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	17.088.238	-	3.112.309	-	-	-	-	-	-	-	20.200.547
7	Exposures to corporates	-	-	4.611.130	-	12.942.267	-	167.874.238	-	-	-	-	-	185.427.635
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by property	-	-	-	-	4.347.010	-	-	-	-	-	-	-	4.347.010
10	Past due receivables	-	-	-	-	1.476.268	-	-	-	-	-	-	-	1.476.268
11	Exposures in higher-risk categories	-	-	-	-	3	-	7.277	28.223	-	-	-	-	35.503
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	3.698.534	-	-	-	-	-	3.698.534
15	Equity investments	-	-	-	-	-	-	1.410.555	-	-	4.577.658	-	-	5.988.213
16	Other exposures	-	-	-	-	-	-	13.644.139	-	-	-	-	-	13.644.139
17	Total	51.646.696	-	21.699.368	-	21.877.857	-	186.640.163	28.223	-	4.577.658	-	-	286.469.965

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standardised approach (continued)

Exposures by asset classes and risk weights

	Prior Period					50% Secured by Real Estate Property								Total Risk Amount (after CCR and CVA)
	Risk Groups/ Risk Weight	0%	10%	20%	25%		75%	100%	150%	200%	250%	500%		
1	Exposures to sovereigns and their central banks	39.040.549	-	-	-	-	-	-	-	-	-	-	-	39.040.549
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	46.757	-	-	-	-	-	46.757
4	Exposures to multilateral development banks	106.747	-	-	-	-	-	-	-	-	-	-	-	106.747
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	7.987.409	-	2.731.607	-	13.526	-	-	-	-	-	10.732.542
7	Exposures to corporates	-	-	4.403.398	-	10.766.273	-	116.211.432	482.978	-	-	-	-	131.864.081
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by property	-	-	-	-	3.198.999	-	-	-	-	-	-	-	3.198.999
10	Past due receivables	-	-	-	-	457.704	-	-	-	-	-	-	-	457.704
11	Exposures in higher-risk categories	-	-	-	-	2.077	-	-	643	-	-	-	-	2.720
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	1.627.654	-	-	-	-	-	1.627.654
15	Equity investments	-	-	-	-	-	-	902.340	-	-	3.271.103	-	-	4.173.443
16	Other exposures	-	-	-	-	-	-	10.457.432	-	-	-	-	-	10.457.432
17	Total	39.147.296	-	12.390.807	-	17.156.660	-	129.259.141	483.621	-	3.271.103	-	-	201.708.628

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR)

Qualitative disclosures on CCR (continued)

Counterparty credit risk is managed by monitoring the concentrations at various levels with regard to counterparty credit risks, the capital requirement imposed by the counterparty credit risk and the limits set by the Board of Directors for counterparty transactions. Moreover, the ratio of the counterparty credit risk exposure to total risk-weighted assets has been identified as a risk appetite indicator.

Counterparty credit risk resulting from repurchase transactions, securities and commodities lending transactions and derivatives transactions are calculated within the framework of Annex 2 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks. Fair Value Valuation Method is applied for derivatives transactions. Risk exposure of derivative transactions is equal to 1,4 times the sum of replacement cost and potential credit risk amount. Besides, capital requirement is also calculated for credit valuation adjustment (CVA) risk in relation to derivatives transactions. For repurchase and securities lending transactions risk amount is calculated considering volatility and credit quality level.

Derivatives transactions executed with counterparties are carried out within the scope of "ISDA" and "CSA" agreements. These agreements contain the same collateralization provisions for our Bank and counterparties and daily collateral settlement is performed.

Analysis of counterparty credit risk (CCR) exposure by approach

	Current Period						
		Replacem nt cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	346.778	587.484	-	1,4	1.307.967	634.796
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	2.232.029	1.039.292
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	Total	-	-	-	-	-	1.674.088

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Analysis of counterparty credit risk (CCR) exposure by approach (continued)

		Replacem nt cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
	Prior Period						
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	203.109	294.014	-	1,4	695.972	307.683
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	943.032	867.394
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	Total	-	-	-	-	-	1.175.077

Credit valuation adjustment (CVA) for capital charge

	Current Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3*multiplier)	-	-
2	(ii) Stressed VaR component (including the 3*multiplier)	-	-
3	All portfolios subject to the Standardised CVA capital charge	1.307.968	420.311
4	Total subject to the CVA capital charge	1.307.968	420.311

	Prior Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3*multiplier)	-	-
2	(ii) Stressed VaR component (including the 3*multiplier)	-	-
3	All portfolios subject to the Standardised CVA capital charge	695.972	179.483
4	Total subject to the CVA capital charge	695.972	179.483

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR)

Standardized approach – Counterparty credit risk exposures by regulatory portfolio and risk weights

Current Period										Total credit exposure(1)
Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other		
Risk Groups										
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	529	-	-	-	529
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	1.340.774	1.562.669	-	-	-	-	-	2.903.443
Exposures to corporates	-	-	8	23.895	-	611.582	-	-	-	635.485
Retail exposures	-	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	539	-	-	-	539
Total	-	-	1.340.782	1.586.564	-	612.650	-	-	-	3.539.996

(1) Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques

Prior Period										Total credit exposure (1)
Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other		
Risk Groups										
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	12.828	-	-	-	12.828
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	232.286	536.729	-	-	-	-	-	769.015
Exposures to corporates	-	-	191	19.167	-	836.824	4	-	-	856.186
Retail exposures	-	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	975	-	-	-	975
Total	-	-	232.477	555.896	-	850.627	4	-	-	1.639.004

(1) Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Collaterals used for CCR

Current Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	3.717.012	-
Cash – foreign currency	1.040.061	-	502.689	-	6.490.645	-
Domestic sovereign debt	-	-	-	-	15.680	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	1.040.061	-	502.689	-	10.223.337	-

Prior Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	1.960.346	-
Cash – foreign currency	1.714.829	-	29.697	-	1.511.243	-
Domestic sovereign debt	-	-	-	-	6.668	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	1.714.829	-	29.697	-	3.478.257	-

Credit derivatives

None (December 31, 2024 : None).

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

	Current Period		Prior Period	
	Exposure at Default Post – CRM	RWA	Exposure at Default Post – CRM	RWA
Exposure to Qualified Central Counterparties (QCCPs) Total	919.045	12.147	1.206.228	19.243
Exposures for trades at QCCPs (excluding initial margin and default fund contributions) of which	449.361	8.987	886.426	17.729
(i) OTC Derivatives	154.648	3.093	127.608	2.552
(ii) Exchange-traded Derivatives	58.861	1.177	82.841	1.657
(iii) Securities financing transactions	235.852	4.717	675.977	13.520
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	411.813	-	270.301	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	57.871	3.160	49.501	1.514
Unfunded default fund contributions	-	-	-	-
Exposures to non- Central Counterparties (QCCPs) Total	-	-	-	-
Exposures for trades at non QCCPs (excluding initial margin and default fund contributions) of which	-	-	-	-
(i) OTC Derivatives	-	-	-	-
(ii) Exchange-traded Derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

Explanations on securitizations

None (December 31, 2024 : None).

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on market risk

Qualitative information to be disclosed to public concerning market risk

Market risk is the possibility of a risk being incurred by the portfolio or position accepted within the scope of the trading portfolio as a result of interest rates, equity prices, commodity prices in financial markets and exchange rate fluctuations. The purpose of market risk management is to manage, within the appropriate parameters, the risks which the Bank might be exposed to with a proactive approach and thus maximize the Bank’s risk adjusted return.

Interest rate, exchange rate, stock and commodity price risks are the major elements of market risk. In order to control these risks in a healthy manner the core principle is to manage transactions carried out in money and capital markets such that they do not form concentration in terms of instrument, maturity, currency, interest type and other similar parameters, and in a “well diversified” manner in accordance with their risk levels. Moreover, the creditworthiness of issuers of financial instruments causing market risk is monitored carefully. Market Risk is managed by using consistent risk measurements and criteria fluctuation level of interest rates and/or prices and Value at Risk calculations, establishing appropriate procedures for control and monitoring compliance with identified risk limits and risk appetite.

Market risk measurement, monitoring and reporting is carried out by the Risk Management Department. In the calculation of the market risk, the Bank uses two basic approaches as the BRSA Standard Method and advanced method which are Value at Risk (VaR) and Expected Shortfall approaches. The standard method is applied in the calculation of capital adequacy on a monthly basis. VaR calculations are performed periodically and are reported to the senior management. Monte Carlo simulation method is used for VaR calculations. The VaR model is based on the assumptions of a 99% confidence interval and a 1-day holding period, and the accuracy of the model is assured by back-testing which is based on the comparison of calculated VaR Value against incurred losses. Besides, stress tests are conducted so as to identify the impacts on VaR which will be highly damaging, although their occurrence is a low possibility.

In addition to the activities of the Risk Management Department, the Treasury Control Unit also reports daily positions and limits use status to the senior management.

Market Risk-standard approach

	Risk Weighted Amount (RWA)	
	Current Period	Prior Period
Outright products	-	-
Interest rate risk (general and specific)	542.088	441.388
2 Equity risk (general and specific)	917.187	79.738
3 Foreign exchange risk	1.655.875	1.196.137
4 Commodity risk	-	-
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 Total	3.115.150	1.717.263

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosure on operational risk

Information to be disclosed to the public regarding operational risk

Operational Risk Exposure is measured in the Bank once a year by using the Basic Indicator Method based on the "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks".

	31/12/2022	31/12/2023	31/12/2024	Total/No. of years of positive gross	Rate (%)	Total
Gross Income	8.518.778	13.879.445	15.625.530	12.674.584	15	1.901.188
Capital Requirement for Operational Risk (Total*12,5)						23.764.846

	31/12/2021	31/12/2022	31/12/2023	Total/No. of years of positive gross	Rate (%)	Total
Gross Income	3.657.714	8.518.778	13.879.445	8.685.312	15	1.302.797
Capital Requirement for Operational Risk (Total*12,5)						16.284.961

Explanations related to interest rate due from banking book

Banking Rate Risk (BHFOR) refers to the risk that potential changes in interest rates due to differences in repricing periods and interest rate structures of interest-sensitive assets and liabilities tracked in banking accounts may affect a bank's capital.

BHFOR calculation and reporting are carried out monthly in accordance with the "Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts Using the Standard Approach," published in the Official Gazette dated May 12, 2025, and numbered 32898, and effective as of October 1, 2025.

BHFOR management is based on monitoring changes in the economic value of the Parent Bank (EDD) and their impact on net interest income (NFGD). Internal stress tests and scenario analyses, compliant with legal regulations, are conducted to identify potential risks in the financial and economic environment in a timely manner. These analyses are regularly reported to the Asset-Liability Committee and senior management, supporting effective oversight and decision-making processes. Compliance with the BHFOR limits established by the Board of Directors is periodically monitored and reported by the Risk Management Department.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continud)

X. Explanations related to consolidated risk management (continued)

Explanations related to interest rate due from banking book (continued)

The Asset-Liability Committee (ALC) is responsible for monitoring and effectively managing interest rate risk and taking corrective measures when necessary. In this context, the Committee ensures the optimal management of the maturity, interest rate type, and currency allocation of assets and liabilities, and the use of capital in a way that maximizes the impact of changes in interest rates on net interest income and economic value. As part of its risk management, the Bank utilizes hedging strategies through derivative instruments and actively manages foreign exchange and interest rate risks.

Due to the fact that the Parent Bank is classified as a non-deposit taking bank and functions as a development and investment bank, the regulatory assumptions and ratios included in the BDDK (Banking Regulation and Supervision Agency) regulations regarding early payment effects are applied, and no internal assumption has been developed by the Parent Bank.

The calculation of interest rate risk arising from the parent bank's banking accounts is given in the table below.

EDD	
	Current Period
	31.12.2025
Parallel Upwards	2.508.566
Parallel Downwards	(2.479.914)
Increasing Slope	(461.825)
Decreasing Slope	1.102.213
Short-term Upwards	2.139.329
Short-term Downwards	(2.116.820)
Maximum	2.508.566
Main Capital	57.202.866

In EDD calculations, interest rate margins are included in contractual cash flows, and TLREF is used as the discount yield curve for TRY, ESTR for Euro, and SOFR for USD.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the consolidated assets

1.a Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	-	-	-	-
Balances with the Central Bank of	474	5.702.663	772	2.879.653
Other	-	-	-	-
Total	474	5.702.663	772	2.879.653

	Current Period (1)		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	474	9.276	772	7.345
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (2)	-	5.693.387	-	2.872.308
Total	474	5.702.663	772	2.879.653

(1) Expected loss amounting to TL 5.646 (December 31, 2024: TL 3.102) is allocated in "Balances with the Central Bank of Turkey".
(2) It is the amount of the required reserves held in blocked accounts with the Central Bank of the Republic of Turkey, related to Turkish lira assets and foreign currency liabilities.

As per the Communiqué numbered 2005/1 "Reserve Deposits" of the CBRT, banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. Reserves are calculated and set aside every two weeks on Fridays for 14-day periods. The CBRT Required reserves of 2 May 2015 has started to pay interest to the Required reserves, reserve options and unrestricted account held in US dollars according to regulation released at 5 May 2015.

As per the "Communiqué on Amendments to be Made on Communiqué on Required Reserves" of Central Bank of Turkey, numbered 2011/11 and 2011/13, required reserves for Turkish Lira and Foreign currency liabilities are set at Central Bank of Turkey based on rates mentioned below. Reserve rates prevailing at December 31, 2025 are presented in table below:

Reserve Rates for Turkish Lira Liabilities (%)	
Original Maturity	Reserve Ratio
Borrower Funds	0
Until 1 year maturity (1 year included)	8
1-3 year maturity (3 year included)	5,5
More than 3 year maturity	3
Securities issued by development and investment banks with a maturity of more than 1 year	0
Other liabilities of banks with maturities of up to 1 month (including 1 month), funds obtained from foreign repo transactions and loans utilized from abroad.	18
Other liabilities of banks with maturities of up to 3 months (including 3 months), funds obtained from foreign repo transactions and loans utilized from abroad.	14
Other liabilities of banks with maturities of up to 1 year (including 1 year) include deposits/participation funds in foreign banks, funds obtained from foreign repurchase agreements, and loans utilized from abroad.	12
Banks' demand deposits/participation funds in foreign banks that belong to their parent companies	0
Foreign Currency Liabilities Required Reserve Ratios (%)	
Original Maturity	Reserve Ratio
Borrower Funds	25
Until 1 year maturity (1 year included)	21
1-2 year maturity (2 year included)	16
2-3 year maturity (3 year included)	11
3-5 year maturity (5 year included)	7
More than 5 year maturity	5
Funds obtained from repurchase agreements with domestic residents for other liabilities of banks with maturities of up to 1 year (including 1 year).	25

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

2 Information on financial assets at fair value through profit and loss:

2.a Information on financial assets designated at fair value through profit and loss given as collateral or blockage:

As of the reporting date, the Bank has no financial assets designated at fair value through profit and loss given as collateral or blockage (December 31, 2024: None).

2.b Information on financial assets designated at fair value through profit and loss given as repurchase agreements:

As of the reporting date, the Group has no financial assets designated at fair value through profit and loss subject to repurchase agreements (December 31, 2024: None).

2.c Information on loans and financial assets at fair value through profit and loss:

As of December 31, 2025 there are no loans with fair value difference reflected in profit and loss. (31 December 2024: None).

As of December 31, 2025 TL 2,879,117 of other financial assets consist of venture capital investment funds (December 31, 2024: TL 1,366,186).

2.d Positive differences related to derivative financial assets:

Derivative Instruments (1)	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	194.706	31.148	3.294	511
Swap Transactions	785.429	659.811	692.662	1.241.834
Futures Transactions	-	-	-	-
Options	-	872	-	-
Other	-	-	-	-
Total	980.135	691.831	695.956	1.242.345

(1) Derivative Financial Assets for Hedging Purposes amounting to TL 215.768 are presented in the "Derivative Financial Assets" account (December 31, 2024: TL 1.119.407).

As part of its economic hedging strategy, the Parent Bank has implemented TL cross currency interest rate swap transactions in which the Parent Bank's default risk is the reference. These swap agreements are subject to a direct closing condition for both the Parent Bank and the counterparty, in the event of a credit default event (such as a non-payment) related to the Parent Bank, to cancel the amounts accrued in the contract and all future payments for both the Parent Bank and the counterparty. As of December 31, 2025, the market rediscount value of this swap transaction with a nominal amount of 25 million dollars is TL 771.389 and the maturity is 2027 (December 31, 2024: The market revaluation value of the swaps with a nominal amount of USD 25 million is TL 551,146).

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

3. Information on banks and foreign bank accounts

3.a Information on banks:

	Current Period (1)		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	296.522	6.289.236	98.215	6.455.397
Foreign	-	2.473.813	-	1.350.261
Branches and head office abroad	-	-	-	-
Total	296.522	8.763.049	98.215	7.805.658

(1) An expected loss provision of TL 6.688 has been allocated to the "Banks" account. (31 December 2024: TL 2.239)

3.b Information on foreign banks:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	631.694	4.471	-	-
USA and Canada	444.057	15.210	-	-
OECD Countries (1)	1.398.062	1.330.580	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	2.473.813	1.350.261	-	-

(1) OECD countries other than European Union countries, USA and Canada.

4. Available-for-sale financial assets subject to repurchase agreements:

4.a.1 Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	2.087.808	-	1.985.056
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	2.087.808	-	1.985.056

4.a.2 Information on financial assets at fair value through other comprehensive income given as collateral or blockage:

As of balance sheet date, all financial assets at fair value through other comprehensive income given as collateral comprise of financial assets issued by the Ministry of Treasury and Finance. The carrying value of those assets is TL 8.133.602.(31 December 2024: TL 5.366.843).

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	6.453.466	1.680.136	4.271.767	1.095.076
Other	-	-	-	-
Total	6.453.466	1.680.136	4.271.767	1.095.076

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

4. Information on financial assets at fair value through other comprehensive income (continued)

4.b Major types of financial assets at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income comprised of government bonds 67,21%, Eurobonds 23,86% and shares and other securities 8,93% (December 31, 2024: 63,43% government bonds, 27,35% Eurobonds, 9,22% shares and other securities).

4.c Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	25.245.640	17.263.215
Quoted on a stock exchange	18.749.421	12.252.801
Unquoted	6.496.219	5.010.414
Share certificates	2.027.376	1.142.375
Quoted on a stock exchange	98.245	96.027
Unquoted	1.929.131	1.046.348
Impairment provision(-)	(52.069)	(101.064)
Total	27.220.947	18.304.526

The net book value of unquoted financial assets at fair value through other comprehensive income share certificates of the Group is TL 1.734.029 (December 31, 2024: TL 1.041.454).

5. Explanation on loans

5.a Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	124.490	-	307.580	-
Corporate shareholders	124.490	-	307.580	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	17.438	-	7.975	-
Total	141.928	-	315.555	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanation on loans (continued)
- 5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:

Current Period (1)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Amendments on Conditions of Contract	
Cash Loans			Loans with Revised Contract Terms	Refinance
Non-specialized loans	212.433.669	-	16.424.519	-
Working Capital loans	29.959.400	-	4.892.355	-
Export loans	1.534.305	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	16.179.897	-	-	-
Consumer loans	17.438	-	-	-
Credit cards	-	-	-	-
Other	164.742.629	-	11.532.164	-
Specialized loans	-	-	-	-
Other receivables	4.720.105	-	-	-
Total	217.153.774	-	16.424.519	-

(1) According to Bank account plan purchasing Loans, amounting to TL 7.816.498 shown under “Working Capital Loans”, due to the nature o “Investment” shown under the category “other” in the above footnote.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanation on loans (continued)
- 5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans: (continued):

Prior Period (1)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Amendments on Conditions of Contract	
Cash Loans			Cash Loans	Refinance
Non-specialized loans	151.163.749	-	11.004.983	-
Working Capital loans	25.148.155	-	4.186.792	-
Export loans	1.676.480	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	14.736.143	-	-	-
Consumer loans	7.975	-	-	-
Credit cards	-	-	-	-
Other	109.594.996	-	6.818.191	-
Specialized loans	-	-	-	-
Other receivables	3.017.363	-	-	-
Total	154.181.112	-	11.004.983	-

(1) According to Parent Bank account plan purchasing Loans, Fleet Leasing Credits, Refinancing Loans and Portfolio Transfer Credits amounting to TL 1.850.902 shown under “Working Capital Loans”, due to the nature of “Investment” shown under the category “other” in the above footnote.

	Current Period		Prior period	
	Standard Loans	Loans under Close Monitoring	Standard Loans	Loans under Close Monitoring
12 Months Expected Credit Loss	1.067.259	-	957.906	-
Significant Increase in Credit Risk	-	5.352.876	-	3.882.690

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (continued)
5. Explanation on loans (continued)
- 5.c Loans according to their maturity structure:

Current Period	Standard Loans	Loans Under Close Monitoring	
		Nonstructured	Restructured
Short-term loans	9.255.519	-	1.945.082
Non-specialized loans	4.535.414	-	1.945.082
Specialized loans	-	-	-
Other receivables	4.720.105	-	-
Medium and Long Term Loans	207.898.255	-	14.479.437
Non-specialized loans	207.898.255	-	14.479.437
Specialized loans	-	-	-
Other receivables	-	-	-

Prior Period	Standard Loans	Loans Under Close Monitoring	
		Nonstructured	Restructured
Short-term loans	6.772.032	-	1.488.930
Non-specialized loans	3.754.669	-	1.488.930
Specialized loans	-	-	-
Other receivables	3.017.363	-	-
Medium and Long Term Loans	147.409.080	-	9.516.053
Non-specialized loans	147.409.080	-	9.516.053
Specialized loans	-	-	-
Other receivables	-	-	-

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (continued)
5. Explanation on loans (continued)
- 5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	4.926	12.512	17.438
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	4.926	12.512	17.438
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	4.926	12.512	17.438

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanations on loans (continued)
- 5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

Prior Period	Short Term	Medium and Long	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	3.373	4.602	7.975
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	3.373	4.602	7.975
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	3.373	4.602	7.975

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanations on loans (continued)
- 5.e Information on commercial loans with instalments and corporate credit cards:

The Parent Bank has not granted any commercial loans with instalments and corporate credit cards as of the reporting date (December 31, 2024: None).

5.f Loans according to borrowers:

	Current Period	Prior Period
Public	4.126.451	3.102.769
Private	229.451.842	162.083.326
Total	233.578.293	165.186.095

5.g Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	232.967.669	164.737.890
Foreign Loans	610.624	448.205
Total	233.578.293	165.186.095

5.h Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	1.857.740	2.039.383
Indirect loans granted to subsidiaries and associates	-	-
Total	1.857.740	2.039.383

5.i Specific provisions provided against loans or default (Stage 3) provisions:

	Current Period	Prior Period
Loans and receivables with limited collectability	2.406.119	1.459.431
Loans and receivables with doubtful collectability	-	5.170
Uncollectible loans and receivables	1.838.704	1.758.182
Total	4.244.823	3.222.783

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanations on loans (continued)
- 5.j Information on non-performing loans (net):
- 5.j.1 Information on loans and other receivables that have been restructured by the bank from non-performing loans:

	III. Group Loans With Limited Collectability	IV. Group Loans With Doubtful Collectability	V. Group Uncollectible Loans"
Current Period			
Gross amounts before provisions	48.043	-	1.670.358
Restructured loans	48.043	-	1.670.358
Prior period			
Gross amounts before provisions	467.612	10.339	1.669.713
Restructured loans	467.612	10.339	1.669.713

5.j.2 Movement of non-performing loans:

	III. Group Loans With Limited Collectability	IV. Group Loans With Doubtful Collectability	V. Group Uncollectible Loans
Current Period			
Prior Period End Balance	1.904.537	10.339	1.765.611
Additions (+)	3.835.611	-	8.799
Transfers from Other Categories of Non-performing Loans (+)	-	-	1.436.925
Transfers to Other Categories of Non-performing Loans (-)	1.436.925	-	-
Collections (-)	420.835	10.339	1.372.870
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards ı	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	-	-	239
Current Period End Balance	3.882.388	-	1.838.704
Provisions (-)	2.406.119	-	1.838.704
Net Balance on Balance Sheet	1.476.269	-	-

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanations on loans (continued)
- 5.j Information on non-performing loans (net) (continued):
- 5.j.2 Movement of non-performing loans (continued):

	III. Group Loans With Limited Collectability	IV. Group Loans With Doubtful Collectability	V. Group Uncollectible Loans
Prior period			
Prior Period End Balance	2.237.702	1.450.294	258.132
Additions (+)	265.657	-	2.898
Transfers from Other Categories of Non-performing Loans (+)	-	314.210	1.578.447
Transfers to Other Categories of Non-performing Loans (-)	506.270	1.386.387	-
Collections (-)	92.635	367.778	73.963
Write-offs (-) (1)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards ı	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	83	-	97
Current Period End Balance	1.904.537	10.339	1.765.611
Provisions (-)	1.459.431	5.170	1.758.182
Net Balance on Balance Sheet	445.106	5.169	7.429

(1) The amount relating to the real estate acquired by the Bank due to its non-performing loans is shown in the collections line.

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

	III. Group Loans With Limited Collectability	IV.Group Loans With Doubtful Collectability	V.Group Uncollectible Loans
Current Period:			
Period End Balance	-	-	1.344
Provisions (-)	-	-	1.344
Net Balance on Balance Sheet	-	-	-
Prior Period			
Period End Balance	-	-	1.105
Specific Provision (-)	-	-	1.105
Net Balance on Balance Sheet	-	-	-

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net) (continued):

5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	3.882.388	-	1.827.358
Provision Amount (-)	2.406.119	-	1.827.358
Loans to Real Persons and Legal Entities (Net)	1.476.269	-	-
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	11.346
Provision Amount (-)	-	-	11.346
Other Loans and Receivables (Net)	-	-	-

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	1.904.537	10.339	1.758.139
Provision Amount (-)	1.459.431	5.170	1.750.710
Loans to Real Persons and Legal Entities (Net)	445.106	5.169	7.429
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	7.472
Provision Amount (-)	-	-	7.472
Other Loans (Net)	-	-	-

5.j.5 Information on interest accruals, rediscount, and valuation differences calculated for non-performing loans and their provisions:

	III.Group	IV.Group	V.Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	-	-	239
Provision amount (-)	-	-	239
Prior Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation	83	-	97
Differences (-)	83	-	97

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
- 5.k Main principles of liquidating non-performing loans and receivables:
- In case of existence of the collateral elements stated in Article 13 of the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables to be set aside for these, these elements are liquidated as soon as possible because of both administrative and legal initiatives and liquidation of the receivables is ensured.
- In the absence of collateral, the debtor is provided with an insolvency certificate, but in various periods, intense intelligence is made and the legal asset is applied to determine the acquired assets.
- Legal procedures followed before and after; on the financial information of the company when the creditor deemed able to live in the investigation that will be made by the Bank and if it contributed to the economy in relation to firms that dominate considers that contributed to production, efforts are made to the liquidation of receivables agreement.
- 5.l Explanations about the write-off policies from the assets:

Within the scope of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions for These" published in the Official Gazette dated November 27, 2019 and numbered 30961, loans classified as “Fifth Group-Uncollectible Loans”, for which there is no reasonable expectation of recovery, can be excluded from the balance sheet. The deduction of the loans that cannot be collected from the records is an accounting application and does not result in the waiver of the right to receive them.

The Bank allocates expected loan loss provisions within the scope of TFRS 9 for the parts of the loans that are not expected to be collected, and the details are given in VIII. Explanations on impairment of financial assets and Calculation of expected credit losses are given under the headings. Amounts written off during the period are disclosed in the footnotes of the financial statements.

As of December 31, 2025, the Bank has not written-off loans. (December 31, 2024: None).

6. Information on held-to-maturity investments:
- 6.a The information was subjected to repo transactions and given as collateral/blocked amount of investments:

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralized/Blocked Investments	1.158.990	2.851.665	2.621.515	4.120.258
Subject to Repurchase Agreements	1.287.855	3.941.602	2.666.448	131.383
Total	2.446.845	6.793.267	5.287.963	4.251.641

- 6.b Information on government debt investments held-to-maturity:
- | | Current Period | Prior Period |
|----------------------------------|----------------|--------------|
| Government Bonds | 27.380.448 | 24.219.715 |
| Treasury Bills | - | - |
| Other Government Debt Securities | - | - |
| Total | 27.380.448 | 24.219.715 |

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
- 6.c Information on held-to-maturity investments:
- | | Current Period | Prior Period |
|----------------------------|----------------|--------------|
| Debt Securities | | |
| Quoted on a Stock Exchange | 9.864.686 | 9.949.963 |
| Not Quoted | 17.515.762 | 14.269.752 |
| Impairment provision (-) | - | - |
| Total | 27.380.448 | 24.219.715 |
- 6.d Movement of held-to-maturity investments within the year:
- | | Current Period | Prior Period |
|---|----------------|--------------|
| Balance at Beginning of the Period | 24.219.715 | 18.894.112 |
| Foreign Currency Differences in Monetary Assets | 3.217.511 | 2.121.701 |
| Purchases During the Period | 33.357 | 3.194.001 |
| Disposals Through Sales and Redemptions (-) | 1.709.071 | 704.972 |
| Impairment Provision (-) | - | - |
| Interest Income Accruals | 1.618.936 | 714.873 |
| Balance at End of Period | 27.380.448 | 24.219.715 |

(1) Expected credit loss amounting to TL 19.340 is allocated in “Financial asset measured at amortized cost” (December 31, 2024: TL 20.200)

7. Information on investments in associates (net):
- 7.a As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated associates and reason for not consolidating:
- Subsidiaries that were not included in the scope of consolidation because they were not financial subsidiaries were valued according to the equity method.
- 7.b Information on unconsolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	İstanbul/Türkiye	17,83	18,76
2	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	İzmir/Türkiye	10,05	20,10

Non-financial associates, as above, are not consolidated in accordance with the Communiqué on “Preparing Consolidated Financial Statements of the Banks”.

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit /Loss	Prior Period Profit/Loss	Fair Value
1	Terme (1)	32.333	29.355	26.005	-	(9)	(7)	-
2	Ege Tarım	83.426	49.408	65.187	2.945	13.197	15.999	-

(1) Represents for the period ended 30 June 2025 financial statements. Prior year profit/loss is obtained from 30 June 2024 financial statements.

- Information on associates disposed of in the current period
- In the current period the Group has not disposed of any associates.
- Information on associates purchased in the current period
- In the current period the Group has not purchased any associates.

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

7. Information on investments in associates (net) (continued):

7.c Information on the consolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	İş Faktoring A.Ş. (İş Faktoring)	İstanbul/Turkey	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	İstanbul/Turkey	29,46	60,97
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (İş Girişim)	İstanbul/Turkey	17,69	62,07

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	İş Faktoring	38.822.422	6.320.845	51.178	11.149.918	-	1.990.659	-
2	İş Finansal (1)	101.221.396	13.453.550	139.471	16.850.504	-	3.630.137	11.514.212
3	İş Girişim (1) (2)	14.523.035	10.723.243	17.674	87.378	-	5.744.130	5.882.488

(1) Fair value is calculated based on the stock market value as of December 31, 2025.

(2) The financial information of the company consists of the amounts not subject to inflation accounting as stated in the company's special disclosure, and these balances have been adjusted and used in the financial statements of the parent company Bank in accordance with the group's accounting policies.

	Current Period	Prior Period
Balance at the Beginning of the Period	4.201.492	2.825.834
Movements During the Period	1.306.875	1.375.658
Purchases (2)	200.000	-
Bonus Shares Received	-	-
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase/Decrease (1)	1.106.875	1.375.658
Provision for Impairment (-)	-	-
Other	5.508.367	4.201.492
Balance at the End of the Period	-	-
Capital Commitments	-	-

(1) Includes accounting differences with the equity method

(2) Following the capital increase of TRY 800,000,000 (full amount) carried out by İş Girişim, the Bank has acquired shares in İş Girişim amounting to TRY 200,000.

- Information on associates disposed of in the current period
- In the current period the Group has not disposed of any associates.
- Information on associates purchased in the current period
- In current period the Group has not purchased any associates.

- 7.d Sectoral information of consolidated associates and the related carrying amounts in the legal books:
- | | Current Period | Prior Period |
|-------------------------------|----------------|--------------|
| Banks | - | - |
| Insurance Companies | - | - |
| Factoring Companies | 1.374.783 | 1.014.392 |
| Leasing Companies | 3.558.056 | 2.632.351 |
| Financial Service Companies i | - | - |
| Other Financial Associates | 570.562 | 549.582 |
- 7.e Information on consolidated associates quoted on stock market:
- | | Current Period | Prior Period |
|---|----------------|--------------|
| Associates Quoted on Domestic Stock Markets | 4.128.618 | 3.181.933 |
| Associates Quoted on Foreign Stock Markets | - | - |

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
8. Information related to subsidiaries (net)
8.a Information related to equity component of subsidiaries:

	YF	TSKB GYO
Current Period (1)	Current Period	Current Period
CORE CAPITAL		
Paid-in Capital	400.000	650.000
Share Premium	-	1.136
Legal Reserves	26.866	8.206
Other Comprehensive Income/Loss according to TAS	468.631	-
Current and Prior Years' Profit	825.823	5.505.961
Leasehold Improvements (-)	4.445	-
Intangible Assets (-)	4.772	107
Total Core Capital	1.712.103	6.165.196
Supplementary Capital	-	-
Capital	-	-
Net Available Capital	1.712.103	6.165.196

(1) The information is obtained from financial statements subject to consolidation as of December 31, 2025.

	YF	TSKB GYO
Prior Period (1)	Prior Period	Prior Period
CORE CAPITAL		
Paid in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	19.684	8.448
Other Comprehensive Income/Loss according to TAS	28.286	-
Current and Prior Years' Profit	836.364	4.055.563
Leasehold Improvements (-)	4.120	-
Intangible Assets (-)	1.160	73
CORE CAPITAL Total	942.554	4.715.074
Supplementary Capital	-	-
Capital	-	-
Net Available Capital	942.554	4.715.074

(1) The information is obtained from financial statements subject to consolidation as of December 31, 2024.

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit has been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the Article of 519 of the Turkish Commercial Code No 6102. The Parent Bank's internal capital adequacy assessment process is made annually on a consolidated basis. Consolidated subsidiaries and associates are included in the assessment.

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
8. Information related to subsidiaries (net) (continued)
8.b As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated subsidiaries and reason for not consolidating and needed capital if they are subject to capital requirement:

TSKB Gayrimenkul Değerleme A.Ş., and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. are valued at cost and are not consolidated since they are not financial subsidiaries. Unconsolidated subsidiaries of the Parent Bank are not subject to minimum capital requirement.

- 8.c Information related to unconsolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Gayrimenkul Değerleme A.Ş. (TSKB GMD)	İstanbul /Türkiye	100,00	100,00
2	TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (TSKB SD)	İstanbul/Türkiye	100,00	100,00

		Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	TSKB GMD	206.058	142.749	26.815	29.762	-	56.000	43.893	-
2	TSKB SD	39.540	29.459	2.762	5.749	-	10.358	4.315	-

- 8.d Information related to consolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Yatırım Finansman Menkul Değerler A.Ş.(YF)	İstanbul /Türkiye	95,78	98,51
2	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	İstanbul/Türkiye	88,61	88,61

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
YF (1)	10.719.293	1.722.893	250.537	2.296.790	368.953	356.708	335.579	-
TSKB GYO (2)(3)	6.995.207	6.191.132	6.729.508	29.637	-	1.472.209	1.369.456	3.952.170

- (1) The financial information of the company consists of the amounts not subject to inflation accounting as stated in the company's special disclosure, and these balances have been adjusted and used in the financial statements of the parent company Bank in accordance with the group's accounting policies.
(2) The consolidated financial data of the subsidiaries are prepared in accordance with BRSA regulations.
(3) Fair value is calculated based on the stock market value as of December 31, 2025.

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
8. Information related to subsidiaries (net) (continued)
8.e Movement table for subsidiaries:

Unconsolidated movement related subsidiaries subjected to consolidation is as follows:

	Current Period	Prior Period
Balance at the Beginning of the Period	5.219.274	3.676.484
Movements During the Period	2.065.562	1.542.790
Purchases	-	-
Bonus Shares Obtained	-	-
Current Year Shares of Profit	-	-
Sales	-	(801)
Revaluation Increase (1)	2.065.562	1.543.591
Provision for Impairment	-	-
Balance At the End of the Period	7.284.836	5.219.274
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(1) Includes accounting differences with the equity method.

According to the principles of consolidation accounting, the cost values of the consolidated subsidiaries have been deducted from the accompanying consolidated financial statements.

Subsidiaries disposed of in the current period

In the current period, the Group has not disposed of any subsidiaries.

Subsidiaries purchased in the current period

In the current period, the Group has not purchased any subsidiaries.

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
8. Information on subsidiaries (net) (continued)
8.f Sectoral information on subsidiaries subject to consolidation and the related carrying amounts in the books:

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Financial Subsidiaries	7.112.628	5.085.830

- 8.g Subsidiaries subject to consolidation quoted on stock market:

	Current Period	Prior Period
Subsidiaries quoted on domestic stock exchanges	5.463.928	4.177.984
Subsidiaries quoted on foreign stock exchanges	-	-

9. Information related to entities under common control

TSKB GYO, one of the subsidiaries of the Parent Bank, established a joint venture with Bilici Yatırım Sanayi ve Ticaret A.Ş. in Adana under the name of Adana Otel Projesi Adi Ortaklığı ("Adana Hotel Project") on 26 May 2011 and Anavarza Otelcilik Anonim Şirketi on 27 June 2015.

The capital structure of the Adana Otel Projesi Adi Ortaklığı ("Adana Hotel Project") is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Adana Otel Projesi Adi Ortaklığı is to start, execute, and complete the hotel project which will be operated by Divan Turizm İşletmeleri A.Ş. (previous name "Palмира Turizm Ticaret A.Ş.").

The capital structure of Anavarza Otelcilik Anonim Şirketi is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Anavarza Otelcilik Anonim Şirketi is tourism-oriented hotels, motels, accommodation facilities, gastronomy, sports, entertainment and health care.

Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi, owned by TSKB GYO with 50%-50% Bilici Yatırım Sanayi ve Ticaret A.Ş has been transformed into a company named "Yarsuvat Turizm Anonim Şirketi" together with all its assets and liabilities, as a whole, by changing the type.

Transformation of Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi to Yarsuvat Turizm Anonim Şirketi and after transformation transfer to Anavarza Otelcilik A.Ş. with all its assets and liabilities as a whole was completed with the Merger document of Adana Chamber of Commerce dated 20 December 2019 and numbered 9647.

	Total Assets	Equity	Total Fixed Assets	Interest Income	Securities Income	Current Year Profit /Loss	Prior Year Profit /Loss	Fair Value
Anavarza Otelcilik	163.875	122.660	12.484	35.146	-	76.779	48.955	-

10. Information on finance lease receivables (net)
10.a Maturities of investments on finance leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	137.544	116.264	49.502	42.888
Between 1- 4 years	579.972	480.321	113.032	91.573
More than 4 years	655.192	552.153	353.471	283.092
Total	1.372.708	1.148.738	516.005	417.553

An expected loss provision amounting to TL 158.668 (December 31, 2024: 117.847 TL) has been allocated to the "Financial Lease Receivables" account.

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

10. Information on finance lease receivables (net) (continued)

10.b The information on net investments in finance leases:

	Current Period	Prior Period
Gross investments in finance leases	1.372.708	516.005
Unearned revenue from finance leases (-)	223.970	98.452
Cancelled finance leases (-)	-	-
Net investments in finance leases	1.148.738	417.553

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement:

Finance lease agreements are made in accordance with the related articles of Financial Leasing, Factoring and Financing Company Law No. 6361. There are no restructuring or restrictions having material effect on financial statements.

11. Information on fair value hedge accounting

11.a Information on derivative financial assets for hedging purposes:

There is a positive difference amounting to TL 215.768 related to derivative financial assets for hedging purposes (December 31, 2024: positive differences amounting to TL 1.119.407).

As of December 31, 2025, the contract amounts and the net fair value carried on the balance sheet of derivative financial instruments designated as hedging instruments are summarized in the table below:

	Current Period			Prior Period		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swap	61.123.629	206.853	94.907	38.602.372	18.436	417.848
FC	61.123.629	206.853	94.907	38.602.372	18.436	417.848
TL	-	-	-	-	-	-
Swap Currency Transactions	28.405.993	8.915	467.014	30.696.329	1.100.971	-
FC	28.405.993	8.915	467.014	30.696.329	1.100.971	-
TL	-	-	-	-	-	-

11.b Information on fair value hedge accounting

Current Period	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income St Effect (Profit/Loss Through Derivative Financial Instrument)
Hedging Item				Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond	Interest Rate Risk	(280.410)	193.029	-	(87.381)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	64.253	-	(68.336)	(4.083)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(54.984)	122.280	-	67.296

(1) The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

11.b Information on fair value hedge accounting (continued)

Prior Period	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income St Effect (Profit/Loss Through Derivative Financial Instrument)
Hedging Item				Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond	Interest Rate Risk	(27.268)	21.597	-	(5.671)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	106.172	-	(113.852)	(7.680)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(73.032)	104.084	-	31.052

(1) The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

12. Information on tangible assets

The property is located within the Group's tangible assets are accounted for by the scope of TAS 16 valuation. For the year 2025, appraisal companies authorized by the CMB and BRSA have been appraised, and the value increases based on the appraisal results have been accounted for in the relevant accounts.

Current Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluation Surplus	Current Period End
Cost:					
Land and buildings	2.990.258	-	-	936.460	3.926.718
Assets held under finance leases	6.843	9.325	-	-	16.168
Vehicles	19.503	38.735	(3.939)	-	54.299
Right to use Securities-Real Estate	61.705	51.373	(399)	-	112.679
Assets held for resale	-	-	-	-	-
Other	191.561	125.194	(1.940)	-	314.815
Total Cost	3.269.870	224.627	(6.278)	936.460	4.424.679
Accumulated depreciation					
Land and buildings	(4.568)	(1.369)	-	-	(5.937)
Assets held under finance leases	(1.874)	(2.195)	-	-	(4.069)
Vehicles	(6.456)	(8.674)	2.668	-	(12.462)
Right to use Securities-Real Estate	(31.769)	(24.889)	264	-	(56.394)
Assets held for resale	-	-	-	-	-
Other	(68.468)	(22.502)	1.109	(4)	(89.865)
Total accumulated depreciation	(113.135)	(59.629)	4.041	(4)	(168.727)
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	3.156.735	164.998	(2.237)	936.456	4.255.952

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

12. Information on tangible assets (net) (continued)

Prior Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluation Surplus	Period End
Cost					
Land and buildings	2.144.569	192	-	845.497	2.990.258
Assets held under finance leases	4.446	2.397	-	-	6.843
Vehicles	15.028	4.904	(429)	-	19.503
Right to use Securities-Real Estate	50.838	10.867	-	-	61.705
Assets held for resale	-	-	-	-	-
Other	104.353	89.961	(2.753)	-	191.561
Total Cost	2.319.234	108.321	(3.182)	845.497	3.269.870
Accumulated depreciation					
Land and buildings	(3.355)	(1.213)	-	-	(4.568)
Assets held under finance leases	(278)	(1.596)	-	-	(1.874)
Vehicles	(3.811)	(3.074)	429	-	(6.456)
Right to use Securities-Real Estate	(20.538)	(11.231)	-	-	(31.769)
Assets held for resale	-	-	-	-	-
Other	(53.997)	(17.061)	2.590	-	(68.468)
Total accumulated depreciation	(81.979)	(34.175)	3.019	-	(113.135)
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	2.237.255	74.146	(163)	845.497	3.156.735

13. Information on intangible assets

13.a Useful lives and amortization rates used:

Tangible fixed assets are reflected in the financial statements at their acquisition cost, less accumulated depreciation and any permanent impairment provisions. Assets that are under construction for leasing, administrative purposes, or other purposes not yet determined are subject to depreciation once they become available for use.

13.b Amortization methods used:

The intangible assets are amortized principally on straight line basis which amortize the assets over their expected useful lives.

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets (continued)

13.c Cost and accumulated amortization at the beginning and end of the period:

Current Period	Beginning of Current Period		End of Current Period	
	Gross Book Value	Accumulated Amortization	Gross Book Value	Accumulated Amortization
Software	27.094	(19.876)	55.919	(30.032)
Goodwill	1.005	-	1.005	-

Prior Period	Beginning of Prior Period		End of Prior Period	
	Gross Book Value	Accumulated Amortization	Gross Book Value	Accumulated Amortization
Software	24.155	(17.043)	27.094	(19.876)
Goodwill	1.005	-	1.005	-

13.d Movement of cost and accumulated amortization for the period:

Current Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Current Period
Cost				
Software	27.094	28.828	(3)	55.919
Goodwill	1.005	-	-	1.005
Total Cost	28.099	28.828	(3)	56.924
Accumulated Amortization				
Software	(19.876)	(10.159)	3	(30.032)
Goodwill	-	-	-	-
Total Accumulated Amortization	(19.876)	(10.159)	3	(30.032)
Impairment Provision				
Software	-	-	-	-
Total Impairment Provision	-	-	-	-
Net Book Value	8.223	18.669	-	26.892

Prior Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Period
Cost				
Software	24.155	3.417	(478)	27.094
Goodwill	1.005	-	-	1.005
Total Cost	25.160	3.417	(478)	28.099
Accumulated Amortization				
Software	(17.043)	(3.311)	478	(19.876)
Goodwill	-	-	-	-
Total Accumulated Amortization	(17.043)	(3.311)	478	(19.876)
Impairment Provision				
Software	-	-	-	-
Total Impairment Provision	-	-	-	-
Net Book Value	8.117	106	-	8.223

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
13. Information on intangible assets (continued)
- 13.e The net book value, description and the remaining amortization period of any material individual intangible asset in the financial statements:
As of the reporting date, the Group has no individual intangible asset which is material to the financial statements as a whole (December 31, 2024: None).
- 13.f Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition:
As of the reporting date, the Group has no intangible assets acquired through government grants (December 31, 2024: None).
- 13.g The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition:
As of the reporting date, the Group has no intangible assets acquired with government incentives (December 31, 2024: None).
- 13.h The book value of intangible assets that are pledged or restricted for use:
As of the reporting date, the Group has no intangible assets with restricted use or pledged (December 31, 2024: None).
- 13.i Amount of purchase commitments for intangible assets:
As of the reporting date, the Group has no purchase commitments for intangible assets (December 31, 2024: None)..
- 13.j Information on revalued intangible assets according to their types:
The Group did not revalue its intangible assets as at the reporting date (December 31, 2024: None).
- 13.k Amount of total research and development expenses recorded in income statement within the period, if any:
The Group has no research and development costs expense in the current period (December 31, 2024: None).
- 13.l Information on goodwill:

Goodwill on Consolidation	Effective Share Rate%	Carrying Amount
Yatırım Finansman Menkul Değerler A.Ş.	95,78	1.005

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
13. Information on intangible assets (continued)
- 13.m The carrying value of goodwill at beginning and end of the period, and movements within the period:
- | | Current Period | Prior Period |
|---|----------------|--------------|
| Net Value at the Beginning of the Period | 1.005 | 1.005 |
| Changes in the Period: | - | - |
| Additional Goodwill | - | - |
| Restatements Arising from Changes in Assets and Liabilities | - | - |
| Goodwill Written off due to Discontinued Operations or Partial/Full Derecognizing of an Asset (-) | - | - |
| Impairment Loss (-) | - | - |
| Reversal of Impairment loss (-) | - | - |
| Changes in Carrying Value | - | - |
| Net Value at the End of Period | 1.005 | 1.005 |
- 13.n The carrying value of negative goodwill at beginning and end of the period, and movements within the period:
As of the reporting date, the Group has no negative goodwill in the accompanying financial statements (December 31, 2024: None).
14. Information on investment properties

In the current period, the Group owns three investment properties with a net book value of TL 3.263.130 (December 31, 2024: TL 2.403.800) belonging to its subsidiary operating in the field of real estate investment trust. As of December 31, 2025 and December 31, 2024, the table of movement of investment properties is as follows:

Current Period	Opening Balance of Current Period	Additions	Disposals	Change in Fair Value	Closing Balance of Current Period
Tahir Han	383.480	1.492	-	111.503	496.475
Pendorya Mall	1.212.000	26.610	-	405.650	1.644.260
Adana Hotel Project	808.320	-	-	314.075	1.122.395
Total	2.403.800	28.102	-	831.228	3.263.130

Prior Period	Closing Balance of Prior Period	Additions	Disposals	Change in Fair Value	Closing Balance of Prior Period
Tahir Han	221.000	-	-	162.480	383.480
Pendorya Mall	720.000	73.043	-	418.957	1.212.000
Adana Hotel Project	489.350	-	-	318.970	808.320
Total	1.430.350	73.043	-	900.407	2.403.800

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
15. Information on deferred tax assets
- 15.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax assets:
The Group has computed deferred tax asset or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bases.

Deferred tax asset:	Current Period	Prior Period
Provisions	1.967.288	1.489.428
Loan commissions accrual adjustment	144.529	89.961
Employee benefit provision	65.074	39.221
Securities	-	10.062
Differences in the economic life of tangible fixed assets	1.217	5.732
Others (1)	218.355	118.956
Total Deferred Tax Asset	2.396.463	1.753.360
Deferred tax liabilities:		
Marketable securities	(1.183.791)	(645.501)
Valuation of derivative instruments	(67.819)	(527.528)
Useful life difference of fixed assets	(604.644)	(341.134)
Borrowings commissions accrual adjustment	(402.725)	(166.321)
Others (2)	(100.488)	(94.907)
Total Deferred Tax Liability	(2.359.467)	(1.775.391)
Net Deferred Tax Asset/Liability	36.996	(22.031)

(1) In addition, there is a deferred tax asset in the other item related to right of use assets of TL 12.571 and other provisions of TL 57.000. (December 31, 2024: right of use assets of TL 30.344 and other provisions of TL 30.000)

(2) In the other item, there is also a deferred tax liability related to hedge accounting amounting to TL 19.255. (December 31, 2023: TL 31.832 tax liability).

	Current Period	Prior Period
Deferred Tax as of January 1 Asset / (Liability) - Net	(22.031)	1.480.605
Deferred Tax (Loss) / Gain	476.131	(1.054.593)
Deferred Tax that is Realized Under Shareholder's Equity	(417.104)	(448.043)
Deferred Tax Asset / (Liability) Net	36.996	(22.031)

- 15.b Temporary differences over which deferred tax assets are not computed and recorded in the balance sheet in prior periods, if so, their expiry date, losses and tax deductions and exceptions:
There are no temporary differences over which deferred tax assets are not computed and recorded in the balance sheet in prior periods. (December 31, 2024: None).
- 15.c Allowance for deferred tax and deferred tax assets from reversal of allowance:
As of the reporting date, the Bank has no allowance for deferred tax and deferred tax liability from reversal of allowance (December 31, 2024: None).
16. Explanation on assets held for sale:
As of the balance sheet date, the Parent Bank does not have any fixed asset transactions held for sale or discontinued operations (31 December 2024: None).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
17. Information about other assets
- 17.a Other assets which exceed 10% of the balance sheet total and breakdown of these which constitute at least 20% of grand total:
Other assets do not exceed 10% of total assets, excluding off-balance sheet commitments (December 31, 2024: None).
- II. Explanations and disclosures related to the liabilities
1. Information of maturity structure of deposits
- 1.a.1 Maturity structure of deposits:
The Parent Bank is not authorized to accept deposits.
- 1.a.2 Information on saving deposits under the guarantee of saving deposit insurance fund and exceeding the limit of deposit insurance fund:
The Parent Bank is not authorized to accept deposits.
- 1.b Information on the scope of whether the Bank with a foreign head office suit saving deposit insurance of the related country:
The Parent Bank is not authorized to accept deposits.
- 1.c Saving deposits which are not under the guarantee of deposit insurance funds:
The Parent Bank is not authorized to accept deposits.

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- II. Explanations and disclosures related to the consolidated liabilities (continued)
2. Negative differences table related to derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities (1)				
Forward Transactions	172.702	27.489	3.101	486
Swap Transactions	172.211	726.982	157.686	719.414
Futures Transactions	-	-	-	-
Options	-	872	-	-
Other	-	-	-	-
Total	344.913	755.343	160.787	719.900

(1) Derivative Financial Liabilities for Hedging Purposes TL 561.921 (December 31, 2023: TL 417.848.) are shown in the "Derivative Financial Liabilities" account.

3. Information on banks and other financial institutions:

- 3.a General information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey Loans	-	-	-	-
From Domestic Banks and Institutions	-	304.158	20.916	-
From Foreign Banks, Institutions and Funds	2.726.682	190.587.525	-	123.981.589
Total	2.726.682	190.891.683	20.916	123.981.589

- 3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	2.726.682	50.077	20.916	-
Medium and long-term	-	190.841.606	-	123.981.589
Total	2.726.682	190.891.683	20.916	123.981.589

- 3.c Additional information about the concentrated areas of liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Nominal	-	58.883.496	1.890.880	50.565.893
Cost	-	58.659.696	1.890.880	50.370.730
Book Value	-	60.593.749	1.950.424	51.561.928

As of 31 December 2025, the details of the Group's issued securities whose redemption date has not yet come are as follows:

Date of Issuance	Maturity Date	Currency Type	Nominal Amount	Interest Rate	Coupon Payment Frequency
14/01/2021	14/01/2026	USD	350.000.000	5,88%	6 months
19/09/2023	19/10/2028	USD	300.000.000	9,38%	6 months
17/10/2024	17/10/2029	USD	350.000.000	7,13%	6 months
14/01/2025	16/01/2026	USD	10.000.000	5,30%	-
15/01/2025	19/01/2026	USD	20.000.000	5,60%	-
02/07/2025	02/07/2030	USD	350.000.000	7,38%	6 months
14/01/2021	14/01/2026	USD	350.000.000	5,88%	6 months

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- II. Explanations and disclosures related to the consolidated liabilities (continued)
3. Information on banks and other financial institutions

- 3.d Additional information about the concentrated areas of liabilities (continued)

Under normal banking operations, the Parent Bank provided funds under repurchase agreements and funds borrowed. Fund resources of the Parent Bank particularly consist of foreign FC funds borrowed and FC and TL repurchase transactions. Information relating to funds provided under repurchase agreements is shown in the table below:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds From Repurchase Agreements Transactions (1)				
From Domestic Transactions	990.467	828.672	1.961.247	1.319.277
Financial institutions and organizations	630.171	2.524	1.551.928	-
Other institutions and organizations	360.202	826.148	409.144	1.319.277
Real persons	94	-	175	-
From Foreign Transactions	-	4.213.596	-	-
Financial institutions and organizations	-	4.213.596	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	990.467	5.042.268	1.961.247	1.319.277

(1) The details about the Debts to the Interbank Money Markets are not included in this table. During December 31, 2025, there are no debts to the Interbank Money Markets (December 31, 2024: None).

4. Other liabilities which exceed 10% of the balance sheet total and the breakdown of these which constitute at least 20% of grand total

There are no other liabilities which exceed 10% of the balance sheet total (December 31, 2024: None).

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- II. Explanations and disclosures related to the consolidated liabilities (continued)
5. Explanations on financial lease obligations (net)

- 5.a Explanations on finance lease payables:

As of the balance sheet date, 341 computers are subject to financial leasing transactions. In the current period, the Group has a liability of TL 11.384 regarding financial leasing transactions (31 December 2024: TL 5.019) .

- 5.b Explanations regarding operational leases:

As of the reporting date, the Bank's 2 head office buildings, 13 branches, 29 cars and 99 computers and 458 phones are subject to operational leasing. The Bank has no liability for operational leases in the current period (December 31, 2024 2 head office buildings, 12 branch, 30 cars and 127 computers and 442 phones are subject to under operational leasing). In the current period, the Bank has lease liability with TFRS 16 amounting to TL 82.274 related to operational lease transactions (December 31, 2024: TL 41.552).

- 5.c Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms:

The Group has no sale and lease back transactions as of the reporting date (December 31, 2024: None).

6. Negative differences on derivative financial instruments held for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (1)	-	561.921	-	417.848
Cash Flow Hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	-	561.921	-	417.848

(1) Derivative Financial Liabilities for Hedging Purposes are shown in the "Derivative Financial Liabilities.

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- II. Explanations and disclosures related to the consolidated liabilities (continued)
7. Information on provisions

- 7.a Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

As of the reporting date, the Parent Bank has no foreign exchange losses on the foreign currency indexed loans (December 31, 2024: None).

- 7.b The specific provisions provided for indemnified non cash loans:

As of the reporting date, the Parent Bank's specific provisions provided for indemnified non cash loans amounts to TL 6.545 (December 31, 2024: TL 4.153).

The Parent Bank has an expected loss provision amounting to TL 146.499 for non-cash loans (December 31, 2024: TL 113.417).

- 7.c Information related to other provisions:

- 7.c.1 Provisions for possible losses:

As of the balance sheet date, there is a free provision of TL 1.100.000 within the precautionary principle, taking into account possible developments that may occur in the economy and markets. TL 950.000 of the said amount has been allocated in the current period (December 31, 2024: TL 2.050.000).

- 7.c.2 Information on employee termination benefits and unused vacation accrual:

The Group has calculated the employee rights provision using the actuarial valuation method specified in TAS 19 and reflected it in its financial statements.

The following actuarial assumptions were used in calculating total liabilities.

	Current Period (%)	Prior Period (%)
Real Discount Rate	3,92	3,98
Nominal Discount Rate	26,78	26,70
Inflation Rate	22,00	21,85

As of December 31, 2025, severance pay provision amounting to TL 115.375 (December 31, 2024: TL 82.584) and leave obligation amounting to TL 89.941 (December 31, 2024: TL 42.844) are shown under employee rights provision in the financial statements.

Actuarial loss amounting to TL 5.684 incurred after January 1, 2025 is recognized under equity in accordance with TAS 19 standard (December 31, 2024: TL 49.480 actuarial gain).

Liabilities on pension rights:

As explained in detail in the Note XV, Explanations on Obligations Regarding Employee Rights, in Section Three of the Report, the Parent Bank has no obligations arising from retirement rights as of December 31, 2025. (December 31, 2024: None).

Liabilities for pension funds established in accordance with Social Security Institution

As of December 31, 2025: None (December 31, 2024: None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- II. Explanations and disclosures related to the consolidated liabilities (continued)
7. Information on provisions (continued)
- 7.c.2 Information on employee termination benefits and unused vacation accrual (continued):

Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees

As of December 31, 2025, the cash value of the Parent Bank's principal liabilities of the TSKB A.Ş. Civil Servants and Contractors Relief and Pension Foundation fund was calculated by an independent actuary using actuarial assumptions and according to the actuary's report dated January 23, 2026, no technical or actual deficit requiring provision as of December 31, 2025 was identified.

In this context, considering the provisions of the Law explained in the accounting policies regarding "Obligations Regarding the Rights of Employees" numbered 3. XVI for the circuit basic obligations of the Fund, the Parent Bank has no liability as of December 31, 2025 for other social rights and payments in the foundation deed that are outside the circuit principal obligations and the health benefits given to the employees.

Retirement Rights

According to the technical balance sheet reports prepared within the framework of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 and using the specified rate of 9,80% technical interest, it was reported that there was no technical deficit for the Fund as of 31 December 2025 and 31 December 2024.

The Bank's liability as of the balance sheet date regarding the benefits to be transferred to the Social Security Institution is the estimated payment amount that will be required to be made during the transfer to the Social Security Institution, and the actuarial parameters and results used in measuring this amount reflect the provisions of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 regarding the retirement and health benefits to be transferred to the Social Security Institution (9,80% real discount rate, etc.).

In calculating the liability amount for transferable benefits, largely fixed and specific assumptions are used within the framework of the New Law. However, the final amount of liability that the Bank will bear when the transfer is made may vary depending on factors such as the number of participants and the rate of separation, especially the discount rate, inflation and wage increases..

	Current Period	Prior Period
Existence of the Foundation*	365.529	312.255
Employee Contributions	4.503.095	2.725.217
Total Assets	4.868.624	3.037.472
Total Cash Values of Pensions	3.671.223	2.539.967
Total Cash Values of Management Expenses	39.968	27.619
Total Cash Value of Health Benefits	325.592	221.942
Total Liability	4.036.783	2.789.528
Actual and Technical Surplus Amount	831.841	247.944

* The fair values of the assets were taken into consideration.

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- II. Explanations and disclosures related to the consolidated liabilities (continued)
7. Information on provisions (continued)
- 7.c.2 Information on employee termination benefits and unused vacation accrual (continued)

According to the relevant Actuarial Report, the surplus of the Fund is TL 831.841 as of 31 December 2025 (31 December 2024: TL 247.944).

In the "2. Economic Assumptions" section of Annex-5 of the Circular on Actuarial Audit of Institutions Making Commitments for Retirement (2022/18)", which includes the title "Points to be Considered in the Selection of Assumptions", it is stated that 9.8% real interest rate has been taken as the basis as the discount and return rate for foundations providing services within the scope of the temporary 20th article of the Social Insurance and General Health Insurance Law No. 5510.

Additionally, the "Prime Base Wage Increase" is determined based on the "Prime Base Wage" set by the Social Security Institution (SGK), and it is assumed that members paying premiums will experience a real increase in their earnings and ceiling wages above inflation, taking into account past performance.

According to Article 55 of Law No. 5510, it is foreseen that the inflation rate in the six-month periods of the year will be used as an increase in the next six-month period for retirement pensions. It is assumed that the increase in the obligation in the payments will be made to the retirement pensions according to the 6-month CPI and that the increase in the payments for the Foundation will be at the annual CPI rate.

In line with the actuarial assumptions used in calculating fund liabilities, and taking into account the regulation published in the Official Gazette dated December 19, 2025, and numbered 33112, the ceiling for monthly earnings subject to premiums has been increased from 7.5 times the minimum wage to 9 times the minimum wage, and the employer's long-term insurance contribution rate has been raised from 11% to 12%.

- 7.c.3 If the other provisions exceed 10% of the sum of the provisions, the items causing the excess and their amounts:

As of December 31, 2025, the Bank reflected the case provision of TL 190.000 (December 31, 2024: TL 100.000) in its financial statements..

- 7.c.4 If other provisions exceeds 10% of total provisions, the name and amount of sub-accounts:

Apart from the provisions described above, there are no items exceeding 10% of the provision amount. (December 31, 2024: None.)

8. Information on taxes payable
- 8.a Information on current taxes payable
- 8.a.1 Information on taxes payable:

	Current Period		Prior Period	
	TL	FC	TL	FC
Corporate Taxes and Deferred Taxes				
Corporate Taxes Payable	272.213	-	313.494	-
Deferred Tax Liability	591.751	-	334.512	-
Total	863.964	-	648.006	-

- 8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	272.213	313.494
Taxation of Securities	109.199	36.023
Capital gains tax on property	-	-
Banking and Insurance Transaction Tax (BITT)	56.404	53.071
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	10.696	8.499
Other	66.126	38.063
Total	514.638	449.150

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- II. Explanations and disclosures related to the liabilities (continued)
8. Information on taxes payable (continued)
- 8.a.3 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	4.046	2.842
Social Security Premiums-Employer	5.436	3.770
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	1.028	727
Unemployment Insurance-Employer	2.006	1.423
Other	-	-
Total	12.516	8.762

- 8.b Explanations on deferred taxes liabilities:

As of the reporting date, the Group has no deferred tax liability (December 31, 2024: None).

9. Information on liabilities for fixed assets held for sale and discontinued operations:

None (December 31, 2024: None).

10. The number, maturity, interest rate of the Bank's subordinated debt instruments; detailed explanations regarding the institution that is the creditor of the debt instrument and the option to convert it into shares, if any, and information regarding subordinated loans:

As of March 21, 2024, the Bank has secured a sustainable subordinated loan with a nominal amount of USD 300 million and a redemption date of March 21, 2029, with coupon payments every 6 months.

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	13.142.591	-	10.800.864
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	13.142.591	-	10.800.864
Debt Instruments Subject to Tier II Equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	13.142.591	-	10.800.864

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- II. Explanations and disclosures related to the consolidated liabilities (continued)
11. Explanations on shareholders' equity
- 11.a Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

- 11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

- 11.c Information on share capital increases and their sources; other information on increased capital shares in current period:

In line with the decision taken at the Ordinary General Assembly meeting held on 24 March 2025, the Parent Bank has no capital increase in the relevant period.

In line with the decision taken at the Ordinary General Assembly Meeting held on 28 March 2024, there is no capital increase of the Parent Bank in the relevant period.

- 11.d Information on share capital increases from capital reserves:

None (December 31, 2024 None).

- 11.e Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments for its associates in the last fiscal year and at the end of the following period (December 31, 2024: None).

- 11.f Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The prior period income, profitability and liquidity of the Parent Bank and their trends in the successive periods are followed by Budget and Planning Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses. The parent company's balance sheet is managed with prudence to minimize the impact of interest rate, exchange rate, and credit risks.

The Parent Bank operations are profitable, and the Bank retains the major part of its profit by capital increases or capital reserves within the shareholders equity.

- 11.g Information on preferred shares:

There are no privileges granted to The Parent Bank's shares representing the capital (December 31, 2024: None).

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

11. Explanations on shareholders’ equity (continued)

11.h Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (1)	958.792	-	1.182.193	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.242.626	499.311	928.597	197.133
Valuation Differences	1.522.321	499.311	470.390	197.133
Foreign Exchange Difference	720.305	-	458.207	-
Total	3.201.418	499.311	2.110.790	197.133

(1) Includes the amounts of investments valued using the equity method included in other comprehensive income.

11.i Information on legal reserves:

	Current Period	Prior Period
First legal reserve	655.522	655.349
Second legal reserve	2.183	1.683
Other Legal Reserves Appropriated In Accordance with Special Legislation	4.040	7.357
Total	661.745	664.389

11.j Information on extraordinary reserves:

	Current Period	Prior Period
Reserves Appropriated by the General Assembly	24.160.667	14.050.300
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Currency Share Capital Exchange Differences	-	-
Total	24.160.667	14.050.300

12. Information on minority shares:

	Current Period	Prior Period
Paid-in-Capital	90.925	76.729
Other Capital Reserves	33	33
Share Premium	129	129
Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	336.274	240.697
Legal Reserves	719	836
Extraordinary Reserves	1.206	739
Other Profit Reserves	-	-
Retained Earnings / Accumulated Losses	242.471	123.300
Net Profit or Loss	103.429	134.773
Total	775.186	577.236

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items

1. Information on off-balance sheet liabilities

1.a Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Letter of Credit	6.038.391	4.401.393
Commitments for Forward Purchase and Sales of Assets	4.829.518	848.301
Commitments for Stock Brokerage Purchase and Sales	113.664	3.169.811
Commitments for Money Market Brokerage Purchase and Sales	396.831	26.951
Commitments from Forward Short Term Borrowing and Transfers	152.834	142.284
Other	4.465.519	1.836.766
Total	15.996.757	10.425.506

(1) The Parent Bank, the European Investment Fund, to be established by Turkish Growth and Innovation Fund (TGIF) purchase of shares of the fund established under the name situated remaining amount that commitment and capital participation commitment regarding the cash capital increase of TSKB Sürdürülebilirlik A.Ş..

1.b Possible losses and commitments related to off-balance sheet items including items listed below:

1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:

As of the reporting date, total letters of credits, surety and acceptance amount to TL 18.569.754 (December 31, 2024: TL 12.837.111).

1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:

As of the reporting date, total letters of guarantee is TL 14.986.989 (December 31, 2024: TL 8.626.888).

1.c.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	10.763.013	4.520.926
With Maturity of One Year or Less than One Year	-	1.402.661
With Maturity of More than One Year	10.763.013	3.118.265
Other Non-Cash Loans	23.339.902	17.074.412
Total	34.102.915	21.595.338

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (continued)

1. Information on off-balance sheet liabilities (continued)

1.c.2 Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	11.116	1	-	-	-	-	-	-
Farming and stockbreeding	11.116	1	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	1.303.012	89	30.000.504	92	3.194.592	95	16.252.567	89
Mining	765	-	45.059	-	4.552	-	1.292.433	7
Manufacturing Industry	109.348	7	18.399.833	57	2.105.252	63	10.803.666	59
Electricity, Gas, Water	1.192.899	82	11.555.612	35	1.084.788	32	4.156.468	23
Construction	819	-	21.335	-	1.972	-	18.027	-
Services	133.164	9	1.806.322	6	134.309	4	1.430.094	8
Wholesale and Retail Trade	-	-	99.552	-	-	-	657	-
Hotel, Food and Beverage Services	-	-	1.706.770	6	-	-	-	-
Transportation and Communication	1.138	-	-	-	1.138	-	1.402.660	8
Financial Institutions	131.096	9	-	-	131.096	4	26.777	-
Real Estate and Leasing Services	930	-	-	-	2.075	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	19.550	1	807.095	2	19.550	1	544.227	3
Total	1.467.661	100	32.635.256	100	3.350.423	100	18.244.915	100

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (continued)

1. Information on off-balance sheet liabilities (continued)

1.c.3 Information on non cash loans classified under Group I and Group II:

	Group I				Group II			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	1.441.386	32.573.730	3.323.785	18.226.233	5.168	61.526	18.331	18.684
Letters of Guarantee (1)	1.441.386	13.497.995	2.791.734	5.808.518	5.168	21.335	18.331	-
Bank Acceptances	-	546.172	-	131.339	-	-	-	-
Letters of Credit	-	18.529.563	532.051	12.286.376	-	40.191	-	18.684
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other Guarantees and	-	-	-	-	-	-	-	-

(1) The amount of the letter of guarantee followed in Group III is TL 21,107 (December 31, 2024: The amounts of the letter of guarantee followed in Groups III and V are TL 11 and TL 8,296 respectively)

2. Information related to derivative financial instruments

As of December 31, 2025, the breakdown of the Bank’s foreign currency forward and swap transactions based on currencies are disclosed below in their TL equivalents::

Current Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Other Buy	Other Sell	Fair Value Hedge
TL	2.238.669	2.216.394	1.699.702	19.800.374	362.002	362.002	-	-	-
USD	3.662.635	3.658.532	59.083.190	16.194.482	329.228	329.131	-	-	74.991.120
EUR	5.379.119	5.376.851	11.571.526	36.003.532	283.593	283.418	-	-	14.538.502
Other	15.347	15.391	242.510	242.505	-	-	-	-	-
Total	11.295.770	11.267.168	72.596.928	72.240.893	974.823	974.551	-	-	89.529.622

Prior Period	Forward Buy	Forwad Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Other Buy	Other Sell	Fair Value Hedge
TL	268.295	118.364	2.996.473	13.909.940	22.150	22.150	-	-	-
USD	144.580	302.410	46.030.447	22.009.441	64.799	64.843	-	-	54.382.297
EUR	37.136	37.136	8.159.738	20.340.758	43.284	43.215	-	-	14.916.404
Other	1.641	1.584	859.826	861.222	-	-	-	-	-
Total	451.652	459.494	58.046.484	57.121.361	130.233	130.208	-	-	69.298.701

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

2. Information related to derivative financial instruments (continued):

Derivative Financial Liabilities Held For Trading	Current Period		Prior Period	
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Swap Transactions	886.725	453.915	97.984.201	1.218.696
Interest Rate Swap Transactions				
Forward Transactions	558.177	444.940	46.853.620	715.800
Futures Transactions	225.854	200.191	22.562.938	3.805
Option Transactions	1.210	1.210	2.193.750	-
Other	1.671.966	1.100.256	169.594.509	1.938.301

Fair value hedges

In the year ended as of December 31, 2025, the Bank had hedging swap interest and money transactions with a nominal amount of TL 89.529.622 (December 31, 2024: TL 69.298.701).

Hedging from the cash-flow risk

As of December 31, 2025 there is no cash-flow hedging transactions (December 31, 2024: None).

3. Explanations on loan derivatives and risk exposures:

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

4. Explanations on contingent liabilities and assets:

There are 52 legal cases against the Bank which are amounting to TL 191.167 as of the reporting date (December 31, 2024: TL 156.955 - 68 legal cases).

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

4. Information related to derivative financial instruments (continued):

Due to the ownership of Pendorya AVM, which is built on the real estate owned by TSKB REIT registered in Istanbul Province, Pendik District, Doğu Mahallesi, 105 Map, 865 Island, Plot 64, Sağlam Satış ve Paz. Inc. (Malazlar A.Ş.) Pendik 2nd Civil Court of First Instance, prevention of seizure against IMM Presidency and road contractor Karacan Yapı on the grounds that some of the side road construction around Pendorya AVM passes through the parcels owned by it, He filed a lawsuit with the demand for the collection of TL 7 compensation from the defendants, without prejudice to his rights. TSKB REIT intervened alongside the defendants.

Relating to immovable property, subject of litigation discovery review and expert reports were submitted to the court file. Objections to the report and statement of TSKB GYO have been given. IBB Presidency has declared that expropriation proceedings related to the subject have been initiated. For this reason, lawsuit was removed from “Possessory Actions” and converted to the “Confiscating without expropriating” by the judge.

Accepting the new case, the plaintiff claimed compensation from the Administration and in order to determine the amount of compensation the Court decided an expert examination since the information provided by the Land Registry and the Municipality was not deemed sufficient.

Expert reports submitted to the Court on May 30, 2013 and the Court decided to add Pendik Municipality as a defendant in the case. At the latest hearing on December 24, 2013 it was decided to accept the expert reports and Pendik Municipality to pay the relevant amount (645 TL) to the plaintiff. The reasoned decision has been notified, the decision which has been appealed by the appellant and the respondent Pendik Municipality has turned deteriorate the Supreme Court decision was a request for the correction requested by the İstanbul Metropolitan Municipality (IMM). The decision has been requested adjustment by IMM and plaintiff Sağlam Satış ve Paz. A.Ş. (Malazlar A.Ş.). Breaking decision of the Supreme Court is expected to evaluate the requests for correction of decision. The Court decided to apply of Supreme Court’s decision to dismiss. The notification of reasoned decision is expected.

Beyoğlu Municipality approved the reclaim of TSKB GYO for the Building II which has the location as 1486 map and 76 parcel in Fındıklı in Beyoğlu, İstanbul for the forfeiture because of zoning change. However, Municipality of Beyoğlu sued because of no approbation by İstanbul Metropolitan Municipality, in order to keep rights on the subject. The court made a decision as no solution for the relevant claim due to Beyoğlu Municipality approved the reclaim. However, there has to be permission by İstanbul Metropolitan Municipality, and Cultural and Natural Heritage Preservation Board for the exact result. Thats why, decision was appealed by the company. The Council of State reversed the judgement based on inappropriate zoning plan changes with the decision of 28 June 2014. In addition, a new implementation development plan covering the Fındıklı Building II, which has been canceled by the judicial authorities and which is owned by TSKB GYO, is being prepared by the Municipality of Beyoğlu on December 21, 2010, the 1/1000 Scaled Beyoğlu District Protected Urban Site Protected Development Plan.

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

1. Information related to derivative financial instruments (continued):

For this content, TSKB GYO’s application were made in writing to the Beyoğlu Municipality on 28 October 2014 in order to plan by taking into account the 1/1000 Scale Implementation Plan which is being prepared by the Municipality of Beyoğlu and the İstanbul Metropolitan Municipality. The court requested the Municipality to ask the plan including the immovable subject to the decision of the Council of State is still in force as a result of the decision of dismissal and that the plan canceled by the court in the letter sent from the Municipality is still valid answered in the form. In the case which was started to discuss again in court; an expert opinion examination was made. The Court has ruled in favor of the Parent Bank by canceling the administrative proceeding. Against decision, within the legal period, Beyoğlu Municipality has applied for the appeal law and it is expected that the file will be sent to İstanbul Regional Administrative Court for examination. The decision to cancel the administrative action given by the Council of State in favor of the Group has been approved and the decision has become final.

A lawsuit was filed by one of the investors of TSKB REIT regarding the cancellation of Articles 5, 7 and 9, which were decided at the Ordinary General Assembly meeting held on April 27, 2018. In the petition, a stay of execution was requested regarding Articles 5 and 7, the request for interim injunction regarding the stay of execution was rejected, and an appeal was filed by the plaintiff. The petition for response to the case and the legal opinion have been submitted. In the first session of the file, it was decided to dismiss the case. The notification of the reasoned decision is awaited.

Regarding the property named Tahir Han, located on Parcel 57, Block 77, Beyoğlu District, İstanbul, in which TSKB GYO holds a 53/72 share; a "Dissolution of Partnership Lawsuit" was filed on December 21, 2005, and the court ruled for "Dissolution of Partnership through Sale". In this context, the sale of the property was completed by auction on May 22, 2024, by the İstanbul Civil Court Sales Office. The notification of the auction was served by the sales office on May 23, 2024. The other shareholder filed a lawsuit for the annulment of the auction. The lawsuit was dismissed, and after appeal and cassation, the decision was finalized in favor of the Group. Since an appeal for correction has been filed against the decision, the finalization process is still ongoing. The notification of the reasoned judgment is awaited.

According to the Legal Department of the Parent Bank, other lawsuits filed against the Parent Bank are not expected to have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

5. Custodian and intermediary services:

The Parent Bank does not have any activities such as custody or placement on behalf of real or legal persons, foundations, retirement insurance funds or other institutions. The details of the securities received as deposits are shown in the off-balance sheet accounts table. The Parent Bank does not provide trading and safe keeping services in the name and account of real people, legal entities, funds, pension funds and other entities, which are presented in the statement of contingencies and commitments.

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement

1. Information on interest income

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans (1)				
Short Term Loans	2.138.041	312.881	1.459.641	490.611
Medium and Long Term Loans	4.853.506	15.113.165	3.501.172	12.720.066
Interest on Non-performing Loans	13.489	338.909	35.646	55.682
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	7.005.036	15.764.955	4.996.459	13.266.359

(1) Commission income from loans has been included to the interest on loans..

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey (1)	315	-	752	-
Domestic Banks	19.113	127.264	124.256	98.053
Foreign Banks	-	1.052	-	6.604
Branches and Head Office Abroad	-	-	-	-
Total	19.428	128.316	125.008	104.657

(1) Interests given to the Turkish Lira and US Dollar portion of the CBRT Required Reserves, reserve options and unrestricted accounts have been presented under “The Central Bank of Turkey” line in the financial statements.

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit and Loss	4.005	-	12.868	-
Financial Assets at Fair Value Through Other Comprehensive Income	6.068.116	359.342	2.999.177	333.688
Financial Assets Measured at Amortized Cost	2.876.557	1.245.340	4.097.551	975.369
Total	8.948.678	1.604.682	7.109.596	1.309.057

As stated in the accounting policies, the Parent Bank makes the valuation of the government bonds Indexed to Consumer Prices in its securities portfolio on the basis of the reference index on the date of issuance and the index calculated by taking into account the estimated inflation rate. The estimated inflation rate used in the valuation is updated when deemed necessary during the year.

As of December 31, 2025, the valuation of the said securities was calculated using the October 2024 - October 2025 annual actual index rate 32.87%. (December 31, 2024: 48.6%).

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

1. Information on interest income (continued)

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	232.532	206.446

2. Information on interest expenses

2.a Information on interest income received from associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	850.421	2.855.346	608.004	2.627.378
The Central Bank of Turkey	-	-	-	-
Domestic Banks	167.327	(70.416)	185.770	254.867
Foreign Banks	683.094	2.925.762	422.234	2.372.511
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	230.980	5.367.609	-	4.760.930
Total (1)	1.081.401	8.222.955	608.004	7.388.308

(1) Commissions given to the Banks and Other Institutions are presented under interest expense.

2.b Information on interest expenses to associates and subsidiaries:

There is no interest expense to its associates and subsidiaries (December 31, 2024: None).

2.c Information on interest expense to securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on securities issued (1)	35.067	5.059.028	83.202	3.708.905

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	72.936	30.206
Financial Assets at Fair Value Through Other Comprehensive Income	9.647	3.022
Other		3.841
Total	82.583	37.069

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

4. Information on net trading income (net)

	Current Period	Prior Period
Profit	20.752.982	43.038.072
Gains on capital market operations	904.234	235.660
Gains on derivative financial instruments (1)	6.863.381	7.603.158
Foreign exchange gains	12.985.367	35.199.254
Losses (-)	(21.080.996)	(45.114.817)
Losses on capital market operations	(57.530)	(124.417)
Losses on derivative financial instruments (1)	(19.470.019)	(9.028.790)
Foreign exchange losses	(1.553.447)	(35.961.610)

(1) The amount of profit arising from exchange rate changes related to derivative transactions in the amount of TL 1.492.904; In "Profit from Derivative Financial Transactions" (December 31, 2024: TL 3.670.715); TL (14.113.554) Amount of loss arising from exchange rate changes related to derivative transactions; It is included in the "Loss from Derivative Financial Transactions" (December 31, 2024 TL (5.193.240)).

5. Information related to other operating income

	Current Period	Prior Period
Provisions Released	1.652.854	789.642
Gains on Sale of Assets	13.343	535
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	13.343	535
From Other Asset Sales	-	-
Other (1)	2.621.123	1.613.798
Total	4.287.320	2.403.975

(1) Also includes the income amount of TL 346.667 related to the intermediary issues of Yatırım Varlık Kiralama A.Ş. (December 31, 2024: TL 540.391). The same amount is included in other operating expenses as well, and it is shown as gross without netting for reporting purposes. It also includes the cancellation of free reserves set aside for potential risks amounting to TL 950.000 as of the balance sheet date. (December 31, 2024: None.)

6. The Group's expected loss provisions and other provision expenses

	Current Period	Prior Period
Expected Credit Loss	4.317.664	556.349
12 Months Expected Credit Loss (Stage 1) (2)	164.701	(172.190)
Significant Increase in Credit Risk (Stage 2)	1.470.667	357.163
Non-performing Loans (Stage 3)	2.682.296	371.376
Marketable Securities Impairment Expenses	5.955	2.523
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.955	2.523
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other (1)	90.000	330.000
Total	4.413.619	888.872

(1) As of the balance sheet date, there is no expense recorded for general provisions set aside for probable risks (December 31, 2024: TL 300.000).
(2) The provision cancellations made from Stage 1 loan provisions in the prior period are shown netted under the item of expected loss provisions and other provision expenses.

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

7. Information related to other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	36.230	7.353
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	59.629	34.175
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortization Expenses of Intangible Assets	10.159	3.311
Impairment on Subsidiaries Accounted for Under Equity Method	-	-
Diminution Expenses for Assets to be Disposed of	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Assets Held for Sale	-	-
Other Operating Expenses	832.819	571.224
Rent Expenses	15.713	11.679
Maintenance Expenses	36.699	24.092
Advertisement Expenses	13.889	6.840
Other Expenses (1)	766.518	528.613
Loss on Sales of Assets	-	-
Other (2)	673.135	756.849
Total	1.611.972	1.372.912

(1) It includes non-bank service expenses of TL 205.753, computer usage expenses of TL 123.740, and communication expenses of TL 40.629 (31 December 2024: It includes non-bank service expenses of TL 109.185, computer usage expenses of TL 111.395, and communication expenses of TL 30.400).

(2) It also includes the expense amount of TL 347.667 related to the issuances brokered by Yatırım Varlık Kiralama A.Ş. The same amount is also included as income in other operating income and is shown gross without netting for reporting purposes. In addition, it includes tax and fee expenses excluding corporate tax in the amount of TL 112.113 permit provisions expenses in the amount of TL 50.349 (31 December 2024: includes tax and fee expenses excluding corporate tax in the amount of TL 133.468; permit provisions expenses in the amount of TL 22.243).

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

Income items for the period ending on 31 December 2025 include net interest income of TL 17.860.647 (31 December 2024: TL 15.855.099), net fee and commission income of TL 832.651 (31 December 2024: TL 819.727) and other operating income of TL 4.287.330 (31 December 2024: TL 2.403.975)

The Group's pre-tax profit on December 31, 2025 increased by 8,42% compared to its previous period pre-tax profit Compared to the previous period, the Group's net interest income increased by 12,65%

9. Information on tax provision for continued and discontinued operations

9.a Information on current tax charge or benefit and deferred tax charge or benefit:

The Group's current tax charge for the period is TL 4.118.416 (December 31, 2024: TL 2.487.822 expense). Deferred tax expense is TL 476.131 (December 31, 2024: TL 1.054.593 deferred tax income).

9.b Information related to deferred tax benefit or charge on temporary differences:

Deferred tax expense calculated on temporary differences is TL 476.131 (December 31, 2024: TL 1.054.593 income).

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

9. Information on tax provision for continued and discontinued operations (continued)

9.c Information related to deferred tax benefit / charge on temporary differences, losses, tax deductions and exceptions::

Not Available (31 December 2024: Not Available).

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

The Group is increased the net profit by 10,34% for the period ended 31 December 2025 compared to prior period.

11. Information on net profit/loss

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

The Group has generated TL 37.142.909 of interest income, TL 19.282.262 of interest expenses, TL 832.651 of net fees and commission income from banking operations (December 31, 2024: TL 30.331.870 interest income, TL 14.476.771 interest expenses, TL 819.727 net fee and commission income).

11.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:

There are no change in the accounting estimates and accordingly effect on the financial statement items. (December 31, 2024: None).

11.c Minority share of profit and loss:

The current year loss attributable to minority shares is TL 103.429 (December 31, 2024: TL 134.773 Profit). The total shareholders' equity, including current year profit attributable to minority shares is TL 775.186 (December 31, 2024: TL 577.236).

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below.

	Current Period	Prior Period
Other Fee and Commission Income Received		
Gains on Brokerage Commissions	334.640	297.423
Consulting Income	179.641	184.896
Commissions from Initial Public Offering	66.560	134.227
Investment Fund Management Income	85.085	53.212
Other	36.962	71.896
Total	702.888	741.654

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- V.

Explanations related to consolidated statement of changes in shareholders' equity
1.

Information related to capital

As of the balance sheet date, Paid in capital is 2.800.000 TL, legal reserves is 661.745 TL, extraordinary legal reserves is 24.160.667 TL.
2.

Accumulated other comprehensive income or loss not reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss not reclassified through profit or loss includes valuation differences related to tangible assets, Defined Benefit Pension Plan related to Actuarial gains, related to valuation differences of the shares that are being classified fair value through other comprehensive income are being valued at market value and value increase differences in investment in associates, subsidiaries and entities under common control.
3.

Accumulated other comprehensive income or loss reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss reclassified through profit or loss includes related to exchange differences of the shares that are being classified fair value through other comprehensive income and related to revaluation differences of fair value through other comprehensive income.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- VI.

Explanations related to consolidated statement of cash flows
1.

Explanations about other cash flows items and the effect of changes in foreign exchange rates in cash and cash equivalents

Other earnings in the current period amounting to TL 2.399.895 consist of active sales revenues and non-interest income (December 31, 2024: TL 838.690 of other earnings, active sales revenues and non-interest income).

The banking activity consists of items such as amounting to TL 5.287.249 consist of derivative financial transaction losses, severance pay provision and depreciation expenses, other operating expenses and fees and commissions, and foreign exchange profit/loss, excluding taxes paid, which are included in the pre-change operating profit in assets and liabilities (December 31, 2024: TL 1.674.394 derivative financial transaction losses, provision for severance pay, excluding depreciation expenses and taxes paid, it consists of other operating expenses, fees and commissions and items such as foreign exchange profit/loss).

The net increase/decrease in other assets amounting to TL 22.076.894 in the current period (December 31, 2024: TL 20.064.340) consists of changes in miscellaneous receivables, other assets and reserve requirements. In the current period, the amount of TL 5.376.770 (December 31, 2024: TL 3.156.191) consists of the exchange of other liabilities account, mutual liabilities and funds obtained from repo transactions.

The impact of the change in the exchange rate on cash and cash equivalent assets in the current period was TL 611.435 (December 31, 2024: TL 386.165).
2.

Information about cash flows from acquisition of associates, subsidiaries, and other investments:

In the current period, the Group invested TL 201.355 in securities and real estate and TL 28.828 in intangible assets. The parent bank has made a cash contribution of TL 200,000 to the capital of its subsidiaries during the current period.

In the previous period, the Group invested TL 97.454 in securities and real estate and TL 3.417 in intangible assets. The bank has previously made cash contributions to the capital of its subsidiaries and affiliates.
3.

Information about disposal of associates, subsidiaries, and other investments:

In the current period, the Group generated a cash inflow of TL 19.222 from the sale of its securities and real estate. The Group has no disposed subsidiaries or affiliates in the current period.

The Group generated a cash inflow of TL 698 due to the sale of securities and real estate owned by the Group in the previous period. The Group has no disposed subsidiaries or affiliates in the current period.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- VI.

Explanations related to consolidated statement of cash flows
4.

Cash and cash equivalents at the beginning and end of period

Cash and cash equivalents at the beginning of period:

	Beginning of the Current Period	Beginning of the Prior Period
Cash	8.117	45.225
Cash and Cash Deposit	-	1
Central Bank of Turkey and Other	8.117	45.224
Cash Equivalents	9.544.878	12.412.810
Demand Deposit Banks and Term Deposits up to 3 Months	7.670.710	5.117.211
Money Market Placements	1.874.168	7.295.599
Total	9.552.995	12.458.035

Cash and cash equivalents at the end of period:

	End of the Current Period	End of the Prior Period
Cash	9.750	8.117
Cash and Cash Deposit	-	-
T.C. Central Banks and Other	9.750	8.117
Cash Equivalents	18.290.676	9.544.878
Demand Deposit Banks and Term Deposits up to 3 Months	8.711.487	7.670.710
Money Market Placements	9.579.189	1.874.168
Total	18.300.426	9.552.995

5.

Amount of cash and cash equivalents restricted for the usage of the Parent Bank and the shareholders by legal limitations and other reasons

Reserves amounting to TL 5.693.387 (December 31, 2024: TL 2.872.308) in Turkish Republic Central Bank represent Turkish Lira, foreign currency requirements of the Bank.

6.

Additional information related to financial position and liquidity

6.a

Any unused financial borrowing facility which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities:

There are not any unused financial borrowing facilities which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities.

6.b

Apart from the cash flows needed to run ordinary operations of the Bank, total of cash flows that shows the increase in the operation capacity of the Bank:

Under current economical conditions, the cash flows are followed daily and cash flows showing the increase in the capacity of operations of the Bank are investigated

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- VII.

Explanations on the risk group of the Parent Bank
1.

Information on the volume of transactions related to the Parent Bank's own risk group, outstanding loan and deposit transactions and income and expenses of the period

1.a

Current Period:

Risk Group of the Parent Bank (1)	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at Beginning of Period	2.039.383	2	307.580	-	-	-
Balance at End of Period	1.860.483	930	124.490	-	7.872.144	7.598.237
Interest and Commission Income	150.610	11	16.451	-	556.570	56.374

(1) The mutual transactions of the parent company Bank and the fully consolidated subsidiaries have been eliminated. .

1.b

Prior Period:

Risk Group of the Parent Bank (1)	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at Beginning of Period	2.325.017	2	597.442	-	-	-
Balance at End of Period	2.039.383	2	307.580	-	-	-
Interest and Commission Income	162.452	5.670	46.082	-	-	-

(1) Mutual transactions between the Parent Bank and its fully consolidated subsidiaries are eliminated. .

1.c

Information on deposit held by Parent Bank's own risk group:

The Parent Bank is not authorized to accept deposits.

2.

Information on forward and option agreements and other similar agreements made with related parties:

Risk Group of the Parent Bank (2)	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Non-Cash	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	962.716	1.114.465	-	-	-	-
End of the Period	493.506	962.716	-	-	-	-
Total Profit / Loss (1)	(16.208)	(28.116)	-	-	136	(3.987)
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

(1) The previous period includes information up to December 31, 2024.

(2) Mutual transactions between the parent company Bank and fully consolidated subsidiaries have been eliminated. .

3.

Total salaries and similar benefits provided to the key management personnel

Benefits provided to key management personnel in the current period amount to TL 269.405 (December 31, 2024: TL 189.947).

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SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Parent Bank

1. Information and disclosures related to the domestic, foreign branches and foreign representations of the Group

	Number	Number of Employees			
Domestic branches (1)	1	483			
			Country of Incorporation		
Foreign representations	-	-			
				Total Asset	Statutory Share Capital
Foreign branches	-	-		-	-
Off-shore banking region branches	-	-		-	-

(1) The total number of branches of the consolidated subsidiaries is 12 and the number of employees is 206.

2. Explanation on opening, closing of a branch/agency of the Parent Bank or changing its organizational structure significantly:

In the current year, the Parent Bank has not opened any branch or agency and there is no significant change in the organization structure of the Parent Bank’s operating branches.

In the previous period, the Bank did not open any new branches or representative offices, and there was no significant change in the organization of the branches and representative offices.

SECTION SIX
OTHER EXPLANATIONS

I. Other explanations related to the operations of the Parent Bank

1.a Brief information related to rating carried out by international rating firms:

FITCH RATINGS	
Long-term Maturity Foreign Currency (issuer)	BB-
Long-term Maturity Foreign Currency Outlook (issuer)	Positive
Short-term Maturity Foreign Currency (issuer)	B
Long-term Maturity National Currency (issuer)	BB-
Long-term Maturity National Currency Outlook (issuer)	Positive
Short-term Maturity National Currency (issuer)	B
Support Note	bb-
Base Support Note	AA
National Note	Stable
National Note Outlook	bb-

International credit rating agency Fitch Ratings updated the Bank’s credit ratings on January 28, 2026.

MOODY’S	
Reference Credit Rating Note	b1
Foreign Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Domestic Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Unsecured Debt-Foreign Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Reference Credit Evaluation Score	b1

Information above represents updated information by Moody’s as of July 30, 2025.

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SECTION SIX (Continued)
OTHER EXPLANATIONS (Continued)

I. Other explanations related to the operations of the Parent Bank (continued)

1.b Information on corporate governance rating of the Parent Bank:

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with Capital Markets Board license, updated the Bank’s corporate governance rating of 96,68% (9,67 over 10) as of October 17, 2025. Ratings under the main topics of weighted Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors are declared as; 9,51 (Weight: 25%), 9,87 (Weight: 25%), 9,89 (Weight: 15%), 9,54 (Weight: 35%) over 10 respectively.

1.c Fee information related to the services that the Bank receives from an Independent Auditor or an Independent Audit Firm:

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor and other independent audit firms, on the amounts excluding VAT, is as follows given in the table. These fees for services rendered to the Bank and its subsidiaries are included.

	Current Period	Prior Period
Independent audit fee for the reporting period	10.318	8.029
Fees for tax consulting services	1.893	1.372
The cost of other assurance services	20.322	16.722
The cost of other services outside the independent audit	155	113
Total	32.688	26.236

II. Other explanations related to the events after the reporting date
None.

SECTION SEVEN

AUDITORS’ REPORT

I. Explanations on the auditors’ report

The consolidated financial statements prepared as of December 31, 2025 and for the period ending on the same date were audited by PwC Independent Auditing and Certified Public Accountants Inc., and the audit report dated February 3, 2026 was presented before the consolidated financial statements..

II. Explanations and notes prepared by independent auditors

There are no other explanations and notes not expressed in sections above related with the Group’s operation.