Türkiye Sınai Kalkınma Bankası Anonim Şirketi and Its Subsidiaries

Publicly Announced Consolidated Financial Statements and Related Disclosures at June 30, 2025 Together with Auditor's Review Report and Interim Activity Report

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section Three)

AUDITOR’S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor’s review report originally issued in Turkish, See Note I of Section Three)

To the General Assembly of Türkiye Sınai Kalkınma Bankası Anonim Şirketi;

Introduction

We have reviewed the consolidated balance sheet of Türkiye Sınai Kalkınma Bankası Anonim Şirketi (“the Bank”) and its consolidated subsidiaries (collectively referred to as “the Group”) at 30 June 2025 and the related 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 and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the six-month-period then ended. The Group Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim consolidated financial information based on our review.

Scope of Review

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

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Basis for the Qualified Conclusion

As mentioned in Section Five Part II 7.c.1 and Part IV 5 of Explanations and Notes to the Consolidated Financial Statements as at 30 June 2025 include a free provision amounting to TL 1.650.000 thousand, which consists of TL 2.050.000 thousand provided in prior years and TL 400.000 thousand reversed in the current period by the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 1.650.000 thousand, net profit and equity would have decreased by TL 400.000 thousand and increased by TL 1.650.000 thousand, respectively as at 30 June 2025.

Qualified Conclusion

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the consolidated financial position of Türkiye Sınai Kalkınma Bankası Anonim Şirketi and its consolidated subsidiaries at 30 June 2025 and its consolidated operations and its consolidated cash flows for the six-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

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 30 June 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, 30 July 2025

THE CONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
FOR THE SIX MONTHS PERIOD JUNE 30, 2025

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The consolidated financial report for the six months includes the following sections in accordance with "Communiqué on the Financial Statements and Related Explanation 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
- LIMITED AUDIT REPORT
- INTERIM ACTIVITY 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 in this report, unless otherwise indicated, are prepared in **thousands of Turkish Lira ("TL")**, in accordance with the Communiqué on Bank's Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Bank's records, and have been independently reviewed and presented as attached.

July 30, 2025

Hakan ARAN	**Murat BİLGİÇ**	**Tolga SERT**	**Dilek PEKCAN MİŞE**
Chairman of Board of Directors	**Member of Board of Directors and General Manager**	**Executive Vice President In Charge of Financial Reporting**	**Head of Financial Control Department**

İzlem ERDEM	**Banu ALTUN**
Chairman of Audit Committee	**Member of Audit Committee**

Contact information of the personnel in charge for addressing questions about this financial report:
Name-Surname/Title : Dilek Pekcan Mişe / Director In Charge of Financial Reporting
Telephone Number : (212) 334 52 77

INDEX **Page Number**

SECTION ONE
General Information

SECTION TWO
Consolidated Financial Statements

SECTION THREE
Accounting Policies

SECTION FOUR
Information on Financial Structure and Risk Management

SECTION FIVE
Explanations and Disclosures on Consolidated Financial Statements

SECTION SIX
Independent Limited Audit Report

SECTION SEVEN
Interim Consolidated Activity Report

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

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. Group (*)	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**	**Share Rate(%)**	**Paid in Capital**	**Unpaid Capital**
T. İş Bankası A.Ş. Group	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 shares of the parent bank have been traded on Borsa Istanbul (BIST) since December 26, 1986. 51,37% of the shares belong to Türkiye İş Bankası Group, and 41,2% 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	Vice Chairman of the Board of Directors
Murat Bilgiç	Member of the Board of Directors and General Manager
Mithat Rende	Member of the Board of Directors
İzlem Erdem	Independent Member of the Board of Directors and Chairman of Audit Committee
Banu Altun	Independent Member of the Board of Directors and Chairman of Audit Committee
Murat Doğan	Member of the Board of Directors
Ş. Nuray Duran	Member of the Board of Directors
Abdi Serdar Üstünsalih	Member of the Board of Directors
M. Sefa Pamuksuz	Independent 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
Murat Bilgiç (3)	General Manager
Seyit Hüseyin Gürel	Executive Vice President - Advisory Services Sales, Financial and Technical Consulting, Credit Structuring and Resolution, Engineering
Hasan Hepkaya	Executive Vice President- Corporate Banking Sales, Project Finance, Corporate Banking Marketing
Meral Murathan	Executive Vice President – Treasury, Treasury and Capital Markets Operations, Financial Institutions and Investor Relations, Development Finance Institutions, Climate Change and Sustainability Management
Özlem Bağdatlı	Executive Vice President – Human Resources, Corporate Communications, Legal Affairs, Retirement and Supplementary Foundations
Mustafa Bilinç Tanağardı	Executive Vice President – Application Development, System Support and Operation, Enterprise Architecture and Process Management, Purchasing and Financial Affairs Management
Poyraz Koğacıoğlu	Executive Vice President – Capital Markets, Mergers and Acquisitions, Corporate Finance
Tolga Sert	Executive Vice President – Credit Portfolio Management and Analytics, Budget and Planning, Financial Control
Ozan Uyar (2)	Executive Vice President – Financial Analysis, Credit Allocation, Credit Operations

(1) The shares held by the above-mentioned persons in the Bank are symbolic

(2) By the decision of the Board of Directors of our Bank dated January 21, 2025, it was decided to appoint Mr. Ozan Uyar as Executive Vice President.

(3) Mr. Murat Bilgiç has submitted his request to retire and step down from his duties to the Board of Directors effective July 31, 2025. Following the necessary legal applications and approvals, it has been decided that Mr. Ozan Uyar will assume the role of General Manager.

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 Istanbul/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 Istanbul/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 Istanbul/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 Istanbul/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 16,67%. The Company’s headquarters is located at Istanbul/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

The Parent Bank Disclosure Policy approved by the meeting of the Board of Directors has entered into force on 28 February 2014. Compliance to public disclosure obligations, frequency of public disclosures and tools and methods used for public disclosures are explained in the disclosure policy of the Parent Bank accessible from the Parent Bank’s corporate website.

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

			Current Period 30 June 2025			**Prior Period 31 December 2024**		
	ASSETS	**Section 5 Note I**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**FINANCIAL ASSETS (NET)**		**27.945.436**	**20.418.106**	**48.363.542**	**16.804.161**	**18.939.663**	**35.743.824**
1.1	**Cash and Cash Equivalents**		**7.083.836**	**12.354.885**	**19.438.721**	**2.050.475**	**10.680.524**	**12.730.999**
1.1.1	Cash and Balances with Central Bank	**(1)**	1.951	7.055.013	7.056.964	772	2.879.653	2.880.425
1.1.2	Banks	**(3)**	151.267	5.309.950	5.461.217	98.215	7.805.658	7.903.873
1.1.3	Money Market Placements		6.931.591	-	6.931.591	1.952.629	-	1.952.629
1.1.4	Expected Credit Losses (-)		973	10.078	11.051	1.141	4.787	5.928
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(2)**	**1.910.783**	**-**	**1.910.783**	**1.650.591**	**-**	**1.650.591**
1.2.1	Government Debt Securities		-	-	-	-	-	-
1.2.2	Equity Instruments		108	-	108	146	-	146
1.2.3	Other Financial Assets		1.910.675	-	1.910.675	1.650.445	-	1.650.445
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(4)**	**18.202.360**	**7.148.581**	**25.350.941**	**12.407.139**	**5.897.387**	**18.304.526**
1.3.1	Government Debt Securities		17.361.291	5.986.331	23.347.622	11.611.019	5.005.611	16.616.630
1.3.2	Equity Instruments		526.266	1.162.250	1.688.516	245.704	891.776	1.137.480
1.3.3	Other Financial Assets		314.803	-	314.803	550.416	-	550.416
1.4	**Derivative Financial Assets**	**(2)**	**748.457**	**914.640**	**1.663.097**	**695.956**	**2.361.752**	**3.057.708**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		748.457	914.640	1.663.097	695.956	2.361.752	3.057.708
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		**22.884.787**	**204.172.230**	**227.057.017**	**23.629.643**	**161.790.627**	**185.420.270**
2.1	**Loans**	**(5)**	**16.255.442**	**192.432.733**	**208.688.175**	**17.250.232**	**151.616.350**	**168.866.582**
2.2	**Lease Receivables**	**(10)**	-	1.033.639	1.033.639	-	417.553	417.553
2.3	**Factoring Receivables**		-	-	-	-	-	-
2.4	**Other Financial Assets Measured at Amortized Cost**	**(6)**	**8.523.971**	**16.295.212**	**24.819.183**	**9.949.963**	**14.269.752**	**24.219.715**
2.4.1	Government Debt Securities		8.523.971	16.295.212	24.819.183	9.949.963	14.269.752	24.219.715
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5	Expected Credit Losses (-)		**1.894.626**	**5.589.354**	**7.483.980**	**3.570.552**	**4.513.028**	**8.083.580**
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**		**4.856.494**	**-**	**4.856.494**	**4.361.542**	**-**	**4.361.542**
4.1	**Investments in Associates (Net)**	**(7)**	**4.680.212**	**-**	**4.680.212**	**4.201.492**	**-**	**4.201.492**
4.1.1	Accounted Under Equity Method		4.680.212	-	4.680.212	4.201.492	-	4.201.492
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Subsidiaries (Net)**	**(8)**	**142.859**	**-**	**142.859**	**133.444**	**-**	**133.444**
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		142.859	-	142.859	133.444	-	133.444
4.3	**Entities under Common Control (Joint Venture) (Net)**		**33.423**	**-**	**33.423**	**26.606**	**-**	**26.606**
4.3.1	Joint Ventures Valued Based on Equity Method		33.423	-	33.423	26.606	-	26.606
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(12)**	**3.786.262**	**-**	**3.786.262**	**3.156.735**	**-**	**3.156.735**
VI.	**INTANGIBLE ASSETS (Net)**	**(13)**	**19.877**	**-**	**19.877**	**8.223**	**-**	**8.223**
6.1	Goodwill		1.005	-	1.005	1.005	-	1.005
6.2	Other		18.872	-	18.872	7.218	-	7.218
VII.	**INVESTMENT PROPERTY (Net)**	**(14)**	**2.778.973**	**-**	**2.778.973**	**2.403.800**	**-**	**2.403.800**
VII.	**CURRENT TAX ASSET**		**3.064**	**-**	**3.064**	**2.679**	**-**	**2.679**
IX.	**DEFERRED TAX ASSET**	**(15)**	**1.123.618**	**-**	**1.123.618**	**312.481**	**-**	**312.481**
X.	**OTHER ASSETS**	**(17)**	**3.257.468**	**232.977**	**3.490.445**	**5.974.711**	**144.717**	**6.119.428**
	TOTAL ASSETS		**66.655.979**	**224.823.313**	**291.479.292**	**56.653.975**	**180.875.007**	**237.528.982**

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

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

			Current Period 30 June 2025			Prior Period 31 December 2024		
	LIABILITIES AND EQUITY	**Section 5 Note II**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**DEPOSITS**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**
II.	**FUNDS BORROWED**	**(3)**	**3.635.608**	**159.790.223**	**163.425.831**	**20.916**	**123.981.589**	**124.002.505**
III.	**MONEY MARKET BALANCES**		**16.613.315**	**6.498.415**	**23.111.730**	**4.814.176**	**1.319.277**	**6.133.453**
IV.	**MARKETABLE SECURITIES ISSUED (Net)**	**(3)**	**-**	**41.937.400**	**41.937.400**	**1.950.424**	**51.561.928**	**53.512.352**
4.1	Bills		-	-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	1.950.424	-	1.950.424
4.3	Bonds		-	41.937.400	41.937.400	-	51.561.928	51.561.928
V.	**BORROWER FUNDS**		**29.815**	**732.818**	**762.633**	**30.945**	**652.954**	**683.899**
5.1	Borrower Funds		29.815	732.818	762.633	30.945	652.954	683.899
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(2)**	**83.714**	**2.377.840**	**2.461.554**	**160.787**	**1.137.748**	**1.298.535**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		83.714	2.377.840	2.461.554	160.787	1.137.748	1.298.535
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES**	**(5)**	**61.178**	**-**	**61.178**	**41.552**	**-**	**41.552**
X.	**PROVISIONS**	**(7)**	**2.155.482**	**105.133**	**2.260.615**	**2.320.251**	**84.762**	**2.405.013**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		151.866	-	151.866	125.428	-	125.428
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		2.003.616	105.133	2.108.749	2.194.823	84.762	2.279.585
XI.	**CURRENT TAX LIABILITY**	**(8)**	**2.176.580**	**-**	**2.176.580**	**457.912**	**-**	**457.912**
XII.	**DEFERRED TAX LIABILITY**	**(8)**	**434.500**	**-**	**434.500**	**334.512**	**-**	**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)**	**-**	**12.210.145**	**12.210.145**	**-**	**10.800.864**	**10.800.864**
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	12.210.145	12.210.145	-	10.800.864	10.800.864
XV.	**OTHER LIABILITIES**		**733.968**	**1.686.532**	**2.420.500**	**820.001**	**3.885.684**	**4.705.685**
XVI.	**SHAREHOLDERS' EQUITY**		**39.822.197**	**394.429**	**40.216.626**	**32.955.567**	**197.133**	**33.152.700**
16.1	Paid-in capital	(11)	2.800.000	-	2.800.000	2.800.000	-	2.800.000
16.2	Capital Reserves		25.546	-	25.546	15.631	-	15.631
16.2.1	Share Premium		1.007	-	1.007	1.007	-	1.007
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		24.539	-	24.539	14.624	-	14.624
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		4.485.918	352.637	4.838.555	4.159.403	230.008	4.389.411
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		343.812	41.792	385.604	381.975	(32.875)	349.100
16.5	Profit Reserves		24.925.893	-	24.925.893	14.793.249	-	14.793.249
16.5.1	Legal Reserves		661.745	-	661.745	664.389	-	664.389
16.5.2	Status Reserves		75.641	-	75.641	75.641	-	75.641
16.5.3	Extraordinary Reserves		24.185.588	-	24.185.588	14.050.300	-	14.050.300
16.5.4	Other Profit Reserves		2.919	-	2.919	2.919	-	2.919
16.6	Profit Or Loss		6.557.597	-	6.557.597	10.228.073	-	10.228.073
16.6.1	Prior Years' Profit/Loss		85.514	-	85.514	6.091	-	6.091
16.6.2	Current Year Profit/Loss		6.472.083	-	6.472.083	10.221.982	-	10.221.982
16.7	Non-Controlling Interests		683.431	-	683.431	577.236	-	577.236
	TOTAL LIABILITIES AND EQUITY		**65.746.357**	**225.732.935**	**291.479.292**	**43.907.043**	**193.621.939**	**237.528.982**

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

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

			Current Period 30 June 2025			Prior Period 31 December 2024		
	OFF-BALANCE SHEET	**Section 5 Note III**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
A.	**OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)**		**28.974.533**	**313.215.531**	**342.190.064**	**32.059.900**	**195.193.970**	**227.253.870**
I.	**GUARANTEES AND COLLATERALS**	**(1)**	**3.597.965**	**24.054.491**	**27.652.456**	**3.350.421**	**18.244.917**	**21.595.338**
1.1	Letters of Guarantee		2.399.704	6.453.838	8.853.542	2.818.370	5.808.518	8.626.888
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		2.399.704	6.453.838	8.853.542	2.818.370	5.808.518	8.626.888
1.2	Bank Acceptances		-	632.474	632.474	-	131.339	131.339
1.2.1	Import Letter of Acceptance		-	632.474	632.474	-	131.339	131.339
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		1.198.261	16.968.179	18.166.440	532.051	12.305.060	12.837.111
1.3.1	Documentary Letters of Credit		1.198.261	16.968.179	18.166.440	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 Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**	**(1)**	**9.631.955**	**48.196.154**	**57.828.109**	**11.372.107**	**8.648.292**	**20.020.399**
2.1	Irrevocable Commitments		8.340.681	31.153.720	39.494.401	9.784.751	640.755	10.425.506
2.1.1	Forward Asset Purchase and Sale Commitments		41.683	17.064.044	17.105.727	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		200.000	163.699	363.699	-	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		8.098.998	13.925.977	22.024.975	9.395.024	39.897	9.434.921
2.2	Revocable Commitments		1.291.274	17.042.434	18.333.708	1.587.356	8.007.537	9.594.893
2.2.1	Revocable Loan Granting Commitments		1.291.274	17.042.434	18.333.708	1.587.356	8.007.537	9.594.893
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**15.744.613**	**240.964.886**	**256.709.499**	**17.337.372**	**168.300.761**	**185.638.133**
3.1	Derivative Financial Instruments for Hedging Purposes		-	55.727.372	55.727.372	-	69.298.701	69.298.701
3.1.1	Fair Value Hedge		-	55.727.372	55.727.372	-	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		15.744.613	185.237.514	200.982.127	17.337.372	99.002.060	116.339.432
3.2.1	Forward Foreign Currency Buy/Sell Transactions		3.683.323	8.561.772	12.245.095	386.659	524.487	911.146
3.2.1.1	Forward Foreign Currency Transactions-Buy		1.827.814	4.305.614	6.133.428	268.295	183.357	451.652
3.2.1.2	Forward Foreign Currency Transactions-Sell		1.855.509	4.256.158	6.111.667	118.364	341.130	459.494
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		11.391.056	175.208.709	186.599.765	16.906.413	98.261.432	115.167.845
3.2.2.1	Foreign Currency Swap-Buy		1.997.248	52.833.725	54.830.973	853.917	28.963.582	29.817.499
3.2.2.2	Foreign Currency Swap-Sell		3.038.256	52.304.694	55.342.950	11.767.384	17.124.992	28.892.376
3.2.2.3	Interest Rate Swap-Buy		3.177.776	35.035.145	38.212.921	2.142.556	26.086.429	28.228.985
3.2.2.4	Interest Rate Swap-Sell		3.177.776	35.035.145	38.212.921	2.142.556	26.086.429	28.228.985
3.2.3	Foreign Currency, Interest Rate, and Securities Options		670.234	1.467.033	2.137.267	44.300	216.141	260.441
3.2.3.1	Foreign Currency Options-Buy		517.867	556.569	1.074.436	22.150	108.083	130.233
3.2.3.2	Foreign Currency Options-Sell		152.367	910.464	1.062.831	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)**		**537.731.263**	**3.574.271.739**	**4.112.003.002**	**452.026.447**	**2.800.994.225**	**3.253.020.672**
IV.	**ITEMS HELD IN CUSTODY**		**20.082.776**	**8.269.210**	**28.351.986**	**7.314.087**	**2.766.786**	**10.080.873**
4.1	Customers' Securities Held		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		10.504.381	8.269.210	18.773.591	6.629.838	2.766.786	9.396.624
4.3	Checks Received for Collection		-	-	-	-	-	-
4.4	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		9.578.395	-	9.578.395	684.249	-	684.249
V.	**PLEDGES ITEMS**		**501.125.819**	**2.891.988.017**	**3.393.113.836**	**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		57.782	2.653.680	2.711.462	195.268	2.372.071	2.567.339
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Real Estate		119.692.960	750.105.290	869.798.250	118.446.897	631.496.822	749.943.719
5.6	Other Pledged Items		380.918.828	2.139.229.047	2.520.147.875	310.493.668	1.635.275.548	1.945.769.216
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED BILL OF EXCHANGE AND COLLATERALS**		**16.522.668**	**674.014.512**	**690.537.180**	**15.120.278**	**529.082.998**	**544.203.276**
	TOTAL OFF BALANCE SHEET ITEMS (A+B)		**566.705.796**	**3.887.487.270**	**4.454.193.066**	**484.086.347**	**2.996.188.195**	**3.480.274.542**

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issues in Turkish, see Note I. of Section Three.)

	STATEMENT OF PROFIT OR LOSS	Note	Reviewed Current Period 1 January 2025 – 30 June 2025	Reviewed Prior Period 1 January 2024 – 30 June 2024	Reviewed Current Period 1 April 2025 – 30 June 2025	Reviewed Prior Period 1 April 2024 – 30 June 2024
I.	**INTEREST INCOME**	**(1)**	**17.511.763**	**14.579.918**	**9.427.380**	**7.561.053**
1.1	Interest on Loans		11.424.256	8.547.124	6.165.149	4.318.682
1.2	Interest Received from Reserve Deposits		119	330	65	303
1.3	Interest Received from Banks		57.190	152.012	22.254	121.831
1.4	Interest Received from Money Market Placements		754.258	2.280.250	436.340	1.141.577
1.5	Interest Received from Marketable Securities Portfolio		5.080.494	3.473.584	2.715.253	1.898.167
1.5.1	Fair Value Through Profit or Loss		3.733	7.500	1.443	4.556
1.5.2	Fair Value Through Other Comprehensive Income		2.995.115	1.215.774	1.670.942	696.897
1.5.3	Measured at Amortized Cost		2.081.646	2.250.310	1.042.868	1.196.714
1.6	Finance Lease Income		15.436	24.340	9.724	11.992
1.7	Other Interest Income		180.010	102.278	78.595	68.501
II.	**INTEREST EXPENSES (-)**	**(2)**	**9.611.387**	**6.734.221**	**5.310.814**	**3.673.534**
2.1	Interest on Deposits		-	-	-	-
2.2	Interest on Funds Borrowed		4.568.832	3.919.498	2.366.781	1.840.919
2.3	Interest on Money Market Borrowings		2.770.365	1.095.042	1.827.293	867.129
2.4	Interest on Securities Issued		2.232.297	1.661.495	1.097.817	936.168
2.5	Leasing Interest Expense		11.502	4.953	5.497	1.626
2.6	Other Interest Expense		28.391	53.233	13.426	27.692
III.	**NET INTEREST INCOME (I - II)**		**7.900.376**	**7.845.697**	**4.116.566**	**3.887.519**
IV.	**NET FEES AND COMMISSIONS INCOME / EXPENSES**		**306.639**	**451.912**	**160.406**	**242.200**
4.1	Fees and Commissions Received		381.319	507.719	195.402	271.475
4.1.1	Non-cash Loans		110.946	94.284	55.756	48.232
4.1.2	Other		270.373	413.435	139.646	223.243
4.2	Fees and Commissions Paid (-)		74.680	55.807	34.996	29.275
4.2.1	Non-cash Loans		22.420	19.889	11.244	12.640
4.2.2	Other		52.260	35.918	23.752	16.635
V.	**DIVIDEND INCOME**	**(3)**	**81.631**	**31.766**	**71.728**	**31.766**
VI.	**NET TRADING INCOME**	**(4)**	**108.128**	**(1.490.098)**	**188.256**	**(742.695)**
6.1	Securities Trading Gains / (Losses)		292.292	51.250	**107.460**	35.117
6.2	Derivative Financial Instruments Gains / Losses		(5.981.185)	72.547	(3.538.697)	(662.832)
6.3	Foreign Exchange Gains / Losses (Net)		5.797.021	(1.613.895)	3.619.493	(114.980)
VII.	**OTHER OPERATING INCOME**	**(5)**	**2.937.418**	**902.831**	**1.931.539**	**698.771**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**11.334.192**	**7.742.108**	**6.468.495**	**4.117.561**
IX.	**EXPECTED CREDIT LOSSES (-)**	**(6)**	**1.207.035**	**695.450**	**975.447**	**260.815**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**70.000**	**-**	**70.000**	**-**
XI.	**PERSONNEL EXPENSES (-)**		**1.474.338**	**864.364**	**817.189**	**447.311**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**893.930**	**671.022**	**406.645**	**336.289**
XIII.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)**		**7.688.889**	**5.511.272**	**4.199.214**	**3.073.146**
XIV.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		-	-	-	-
XV.	**PROFIT / (LOSS) ON EQUITY METHOD**		**836.460**	**453.977**	**415.150**	**217.420**
XVI.	**GAIN / (LOSS) ON NET MONETARY POSITION**		**-**	**-**	**-**	**-**
XVII.	**PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)**		**8.525.349**	**5.965.249**	**4.614.364**	**3.290.566**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(8)**	**2.002.268**	**1.475.206**	**1.193.200**	**761.736**
18.1	Provision for Current Income Taxes		2.787.256	1.260.089	1.602.262	638.966
18.2	Deferred Tax Income Effect (+)		1.181.809	963.121	406.559	615.429
18.3	Deferred Tax Expense Effect (-)		1.966.797	748.004	815.621	492.659
XIX.	**NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)**	**(10)**	**6.523.081**	**4.490.043**	**3.421.164**	**2.528.830**
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 DISCONTINUEDOPERATIONS (XXII±XXIII)**		**-**	**-**	**-**	**-**
XXV.	**PROFIT/LOSS (XIX+XXIV)**	**(10)**	**6.523.081**	**4.490.043**	**3.421.164**	**2.528.830**
25.1	Group's Profit / Loss		6.472.083	4.369.624	3.380.000	2.412.775
25.2	Minority Shares (-)		50.998	120.419	41.164	116.055
	Earning / (loss) per share (Exact Amount)		2,311	1,561	1,207	0,862

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

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

	PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	**Reviewed Current Period 1 January 2025 – 30 June 2025**	**Reviewed Prior Period 1 January 2024 – 30 June 2024**
I.	**CURRENT PERIOD INCOME / LOSS**	**6.523.081**	**4.490.043**
II.	**OTHER COMPREHENSIVE INCOME**	**541.900**	**770.608**
2.1	Not Reclassified Through Profit or Loss	**505.396**	**748.010**
2.1.1	Property and Equipment Revaluation Increase / Decrease	541.276	530.000
2.1.2	Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain / Loss	4.970	(43.086)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	99.799	244.131
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(140.649)	16.965
2.2	**Reclassified Through Profit or Loss**	**36.504**	**22.598**
2.2.1	Foreign Currency Translation Differences	192.393	45.024
2.2.2	Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	(222.699)	(31.568)
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	66.810	9.142
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**7.064.981**	**5.260.651**

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2025

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

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issues 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								
	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 – 30 June 2024																	
I.	**Prior Period End Balance According to TAS 8**		**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.	**Effects of Errors Corrections and Accounting**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	**Policy Changes Made**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**		**-**	**-**	**-**	**-**	**534.039**	**(30.160)**	**244.131**	**45.024**	**(22.426)**	**-**	**-**	**-**	**4.369.624**	**5.140.232**	**120.419**	**5.260.651**
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**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(293)**	**(293)**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**7.047.948**	**(7.047.948)**	-	-	**(566)**	**(566)**
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(844)	(844)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.050.948	(6.050.948)	-	-	278	278
11.3	Other		-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
	Period-End Balance		**2.800.000**	**1.007**	**-**	**14.658**	**2.605.516**	**(28.890)**	**1.920.121**	**430.558**	**(150.418)**	**-**	**14.793.256**	**(193.850)**	**4.369.624**	**26.561.582**	**523.262**	**27.084.844**

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 SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2025

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

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issues 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								
	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 – 30 June 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.	**According to TAS 8 Effects of Errors**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Corrections and Accounting Policy Changes Made		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**		**-**	**-**	**-**	**-**	**388.103**	**3.479**	**57.562**	**192.393**	**(155.889)**	**-**	**-**	**-**	**6.472.083**	**6.957.731**	**107.250**	**7.064.981**
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**		**-**	**-**	**-**	**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**	**2.613.142**	**(29.672)**	**2.255.085**	**650.600**	**(264.996)**	**-**	**24.925.893**	**85.514**	**6.472.083**	**39.533.195**	**683.431**	**40.216.626**

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.

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

		Note	Reviewed Current Period 30 June 2025	Reviewed Prior Period 30 June 2024
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Operating Assets and Liabilities**		**1.828.048**	**4.002.241**
1.1.1	Interest Received		14.267.934	12.364.162
1.1.2	Interest Paid		(7.966.323)	(6.382.238)
1.1.3	Dividends Received		111.631	46.766
1.1.4	Fees and Commissions Received		381.319	507.719
1.1.5	Other Income		890.687	188.979
1.1.6	Collections from Previously Written off Loans		1.776.014	124.104
1.1.7	Payments to Personnel and Service Suppliers		(2.003.602)	(1.144.482)
1.1.8	Taxes Paid		(1.816.116)	(626.954)
1.1.9	Others		(3.813.496)	(1.075.815)
1.2	**Changes in Operating Assets and Liabilities**		**18.612.804**	**(7.249.659)**
1.2.1	Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(14.174)	(214.552)
1.2.2	Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3	Net (Increase) (Decrease) in Loans		(8.219.715)	(9.622.897)
1.2.4	Net (Increase) (Decrease) in Other Assets		(3.841.848)	(3.023.685)
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		14.085.528	(5.819.697)
1.2.9	Net (Increase) (Decrease) in Matured Payable		-	-
1.2.10	Net (Increase) (Decrease) in Other Liabilities		16.603.013	11.431.172
I.	**Net Cash Provided by / (used in) Banking Operations**		**20.440.852**	**(3.247.418)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided by / (used in) Investing Activities**		**(3.687.325)**	**(6.182.276)**
2.1	Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(115.998)	(70.076)
2.4	Disposals of Property and Equipment		318	567
2.5	Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(5.802.007)	(3.704.508)
2.6	Sale of Financial Assets at Fair Value through Other Comprehensive Income		577.798	554.675
2.7	Purchase of Financial Assets Measured at Amortized Cost		(33.357)	(3.116.482)
2.8	Sale of Financial Assets Measured at Amortized Cost		1.709.071	160.699
2.9	Others		(23.150)	(7.151)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided by / (used in) Financing Activities**		**(14.684.606)**	**4.666.235**
3.1	Cash Obtained From Funds Borrowed and Securities Issued		1.528.511	13.979.173
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(16.109.698)	(9.258.986)
3.3	Capital Increase		-	-
3.4	Dividends Paid		(1.055)	(844)
3.5	Payments for Financial Leases		(102.364)	(53.108)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**		**224.206**	**76.675**
V.	**Net Increase in Cash and Cash Equivalents**		**2.293.127**	**(4.686.784)**
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**		**11.846.122**	**7.771.251**

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

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 asset, liabilities and land and buildings 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 "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.

Unless otherwise stated, amounts in the financial statements and the related explanations and notes are expressed in thousands of Turkish Lira.

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 23 November 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. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023. Within the scope of 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 switch to inflation accounting as of January 1, 2025, and TAS 29 was not applied and no inflation adjustment was made in the financial statements dated December 31, 2024. However, in accordance with BRSA's decision numbered 11021 dated December 5, 2024, it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies would not apply inflation accounting in 2025 either. Accordingly, the Bank has not applied IAS 29 inflation accounting in its financial statements for the period ending June 30, 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 interim financial statements prepared as of June 30, 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 loan 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 IAS/IFRS 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 IAS and IFRS, 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.

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.

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 IAS 29 -Financial Reporting in Hyperinflationary Economies as of June 30, 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 flows 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 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.

Due to the fact that the great majority of the loans extended by the Group 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 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 and Green bond 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 in order to hedge the change in fair values of its fixed rate financial liabilities. The changes in the fair value of the hedged fixed rate financial liabilities and hedging interest rate swaps are recognized under the trading profit/loss.

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 aforementioned 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 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 as long as 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 of 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 the placement decisions. The long term placements are made under project finance. A credit policy is implemented 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; In order to hedge against parity risk, the current currency position is monitored according to a basket balance in certain currencies.

Exchange rate difference 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 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 are 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 VI.

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 transaction.

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%.

SECTION 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.

If the financial asset is impaired and classified as a non-performing receivable, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount.

Interest income and expenses are recorded at their fair values and are accounted for on an accrual basis using the effective interest method (the rate that equates the future cash flows of the financial asset or liability to its current net book value) considering the current principal amount.

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 under 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 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. 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 on the basis of 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 taken into account. 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, in particular 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 taken into account along with other relevant information is also taken into account. The business models that comprise the bet are composed of three categories. These categories are as follows:

- Business model aimed to hold assets in order to collect contractual cash flows: This is a model whose objective is to hold assets in order to collect contractual cash flows are managed to 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.

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 principle 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 the recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to 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, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

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.

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. The securities in question are valued and accounted for using the effective interest method, based on real coupon rates and reference inflation indices on the issuance date and valuation date. As stated in the Investor’s Guide of CPI Government Bonds by Republic of Turkey Undersecretariat of Treasury the reference indices used to calculate the actual coupon payment amounts of these securities are based on the previous two months CPI’s. The parent company Bank also takes the reference index into account in parallel with this. The inflation rate forecasted by taking into account the expectations of the Central Bank of the Republic of Turkey and the Bank is updated during the year if deemed necessary.

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 have 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 recognized 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.

Within the scope of TFRS 9, the probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) models have been developed. The models developed under TFRS 9 are based on the following segmentation elements:
- Loan portfolio (corporate /specialization)
- Product type
- Credit risk rating notes (ratings)
- Collateral type
- Duration since origination of a loan
- Remaining time to maturity
- Exposure at default

Probability of Default (PD): PD refers to the likelihood that a loan will default within a specified time horizon given certain characteristics. Based on TFRS 9, two different PDs are used in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the balance sheet date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

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.

Loss Given Default (LGD): If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

Exposure at Default (EAD): For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion factor corresponds to the factor which adjusts the potential increase of the exposure between the current date and the default date.

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.

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%.

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 makes qualitative and quantitative assessments regarding assessment of significant increase in credit risk of financial assets to be classified as Stage 2 (Significant Increase in Credit Risk) due to the significant increase in credit risk.

Quantitative assessments compare the relative change between the probability of default (PR) measured at the transaction date and the PD measured at the report date. In the event of a significant deterioration in PD, the credit risk is considered to have increased significantly and the financial asset is classified as Tier 2. In this context, the Parent Bank calculated threshold values to determine at what rate the relative change is a significant deterioration.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

IX. Explanations on impairment of financial assets(continued)

Significant increase in credit risk (continued)

When determining the significant increase in the parent bank credit risk, The Parent Bank also assessed the absolute change in the PD date on the transaction date and on the reporting date. If the absolute change in the PD ratio is above the threshold values, the related financial asset is classified as Stage 2.

Within the scope of qualitative assessments, if any of the following conditions are met, the related financial asset is classified as Stage 2.

- 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

Three scenarios are used in forward-looking expectations: base, bad and good. Final provisions are calculated by weighting over the probabilities given to the scenarios. In addition, for the impacts that may be encountered, the parent Bank has also established additional provisions for the sector and customers where the impact is thought to be high by making individual valuations for risks that cannot be captured through the models in the calculation of the expected loan loss.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

X. Explanations on offsetting, derecognition and restructuring of financial instruments

a. Offsetting 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 the financial statements with their net amounts. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

b. Derecognition of financial instruments

Derecognition of financial assets due to change in contractual terms

Based on TFRS 9, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a ‘new’ financial asset.

When the Parent Bank assesses the characteristics of the new contractual terms of the financial asset, it evaluates the contractual cash flows including foreign currency rate changes, conversion to equity, counterparty changes and solely principal and interest on principle. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, it is recalculated the gross carrying amount of the financial asset and recognized a modification gain or loss in profit or loss.

Where all risks and rewards of ownership of the asset have not been transferred to another party and the Bank retains control of the asset, the Bank continues to recognize the remaining portion of the asset and liabilities arising from such asset. When the Parent Bank retains substantially all the risks and rewards of ownership of the transferred asset, the transferred asset continues to be recognized in its entirety and the consideration received is recognized as a liability.

Derecognition of financial assets without any change in contractual terms

The asset is derecognized if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party. Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the gain or loss arising from the difference between the book value and the amount obtained and any accumulated gain directly accounted in equity shall be recognized in profit/loss.

Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when, and only when, it is extinguished when the obligation specified in the contract is discharged or cancelled or expires.

c. Reclassification of financial instruments

Based on TFRS 9, the Parent Bank shall reclassify all affected financial assets at amortized cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when, and only when, it changes its business model for managing financial assets.

The Parent Bank’s financial assets reclassification details are presented in Section 3, Note VIII.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

X. Explanations on offsetting, derecognition and restructuring of financial instruments (Continued)

d. Restructuring and refinancing of financial instruments

The Parent Bank may change the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

Restructuring is to change the financial terms of existing loans in order to facilitate the payment of debt. Refinancing is granting a new loan by the Parent Bank which will cover either the principal or the interest payment in whole or in part of one or a few existing loans due to the anticipated financial difficulty which the customer or group encounter currently or will encounter in the future. Changes in the original terms of a credit risk can be made in the current contract or through a new contract.

Resturected Loans can be classified in standard loans unless the firm has difficulty in payment. Companies which have been restructured and refinanced can be removed from the watchlist when the following conditions are met:

- Subsequent to the through review of company's financial data and its owners' equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time (starting from the date when the debt is restructured all due principal and interest payments are made on time)

- At least 2 years should pass over the date of restructuring (or if it is later), the date of removal from non-performing loan category, at least 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring /refinancing shall be paid and no overdue amount (principal and interest) shall remain at the date of restructuring / refinancing.

In order for the restructured non-performing loans to be classified to the watchlist category, the following conditions must be met:

- Recovery in debt service

- At least one year should pass over the date of restructuring

- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring /refinancing or the date when the debtor is classified as nonperforming (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring /refinancing

- Collection of all overdue amounts, disappearance of the reasons for classification as nonperforming receivable (based on the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification

During the follow-up period of at least two years following the date of restructuring/refinancing, if there is a new restructuring/refinancing or a delay of more than 30 days, the transactions which were non-performing at the beginning of the follow-up period are classified as non-performing loans again.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

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.

The repurchase agreements of the Group are based on the Eurobonds and government bonds issued by Republic of Turkey Undersecretariat of Treasury. 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

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 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.

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XIII. Explanations on goodwill and other intangible assets (continued)

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 that are acquired prior to 1 January 2005 are carried at restated historical cost as of December 31, 2004; and those acquired subsequently are carried at cost less accumulated amortization, and any impairment. Intangible assets are depreciated on a straight line basis over their expected useful lives. Depreciation method 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 assets rather than real estate, purchased before 1 January 2005, are accounted for at their restated costs as of December 31, 2004 and the assets purchased in the following periods are accounted for at acquisition cost less accumulated depreciation and reserve for impairment. Gain or loss resulting from disposals of the tangible assets is reflected to 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.

Since the third quarter of 2015, the Group has changed its accounting policy and adopted the revaluation method within the scope of IAS 16 in the valuation of buildings and land. The redemption period of the properties is specified in the appraisal report. In the event that the cost price is above the "Net realizable value" of the relevant tangible asset estimated within the framework of the "Turkish Accounting Standard for Impairment from Assets" ("TAS 36"), the value of the asset in question is reduced to the "Net realizable value" and is associated with the expense accounts for the allocated impairment. The positive difference between the real estate values in the appraisal report prepared by the companies authorized in the field of independent valuation and the net book value of the related properties is followed in the equity accounts. In the valuation of immovables, cost method approach, precedent comparison and income reduction methods were taken into consideration to the extent of their applicability to real estate.

There are no pledges, mortgages and similar restriction on tangible assets. Tangible assets are depreciated by applying the linear depreciation method and their useful lives are determined according to the TAS.

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

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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

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

Right-of-use assets

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

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 the 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 the 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.

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, taking into account the income and expenses of the fund, on the basis of the circuit for each ballot box. The specified obligation shall be paid in 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 the Social Security Institution, the Ministry of Finance, the Undersecretariat of the Treasury, 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, 2024, 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 22, 2025, no technical or actual deficit requiring provision as of December 31, 2024 was identified. In addition, the management of the Parent Bank foresees that the amount of the 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 taking into account 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 June, 30 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 the 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.

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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (Continued)

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 the period of September 30, 2023.

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 taken into account in the calculation of the legal tax base, according to the balance sheet method, by taking into account the legal tax rates.

According to the Provisional Article 33 of the Tax Procedure Law, in the financial statements dated June, 30 2025, the tax effects arising from the subject of inflation correction of the corporate tax are included in the deferred tax calculation as of June, 30 2025.

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

Except for goodwill or business combinations, deferred tax liability or asset is 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 asset is reviewed as of each balance sheet date. Carrying value of deferred tax asset 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 asset 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 taken into account 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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (Continued)

XIX. Additional explanations on borrowings

The Parent Bank borrows funds from domestic and foreign institutions borrowing from money market and issues marketable securities in domestic and foreign markets when needed. 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 Parent 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.

XX. Explanations on share certificates issued

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 24, 2025, From the net profit of 2024, 1,300,000 TL is allocated to a special fund for the purpose of acquiring venture capital investment funds, and the participation sale profit of 9,915 TL realized in 2024 is retained in a special account under shareholders' equity. and the remaining portion was allocated as an extraordinary reserve fund.

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 Bank does not use government incentives.

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

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	3.439.338	4.035.859	425.179	7.900.376
Net Fees and Commission Income	112.853	54.574	139.212	306.639
Other Income	1.631.178	126.147	2.206.312	3.963.637
Other Expense	(1.410.046)	(200.541)	(2.034.716)	(3.645.303)
Profit Before Tax	3.773.323	4.016.039	735.987	8.525.349
Tax Provision				(2.002.268)
Net Profit				**6.523.081**
Group's profit / loss				6.472.083
Minority share profit / loss				50.998
Current Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Segment Assets	198.985.744	70.844.393	16.792.661	286.622.798
Investment in Associates and Subsidiaries	-	-	4.856.494	4.856.494
Total Assets	**198.985.744**	**70.844.393**	**21.649.155**	**291.479.292**
Segment Liabilities	213.806.753	23.664.566	13.791.347	251.262.666
Shareholders' Equity	-	-	40.216.626	40.216.626
Total Liabilities	**213.806.753**	**23.664.566**	**54.007.973**	**291.479.292**

Prior Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Net Interest Income	2.783.884	4.714.681	347.132	7.845.697
Net Fees and Commission Income	92.636	192.717	166.559	451.912
Other Income	140.070	-	1.248.504	1.388.574
Other Expense	(816.105)	(1.629.813)	(1.275.016)	(3.720.934)
Profit Before Tax	2.200.485	3.277.585	487.179	5.965.249
Tax Provision				(1.475.206)
Net Profit				**4.490.043**
Group's profit / loss				4.369.624
Minority share profit / loss				120.419
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**

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

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 10747 dated 12 December 2023. 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 26 June 2023, 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 June, 30 2025 is 23,76%. (31 December 2024: 26,44).

	Consolidated	**Consolidated**
CORE EQUITY TIER 1 CAPITAL	**Current Period**	**Prior Period**
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	1.007	1.007
Reserves	24.925.893	14.793.249
Other comprehensive income according to TAS	5.849.303	5.174.692
Profit	6.557.597	10.228.073
Current Period Profit	6.472.083	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	683.431	577.236
Core Equity Tier 1 Capital Before Deductions	**40.817.605**	**33.574.631**
Deductions from Core Equity Tier 1 Capital		
Valuation adjustments calculated as per the 1st 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	449.857	268.452
Leasehold improvements on operational leases	11.631	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)	18.872	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	-	-

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

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	992.292	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 the 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 1 Capital	**1.473.657**	**1.408.342**
Core Equity Tier I Capital	**39.343.948**	**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	11.892.960	10.519.950
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**11.892.960**	**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 which will not deducted from Core Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Core Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	**11.892.960**	**10.519.950**
Total Tier I Capital (Tier I Capital=Core Equity Tier I Capital+Additional Tier I Capital)	**51.236.908**	**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)	2.471.050	1.882.408
Tier II Capital Before Deductions	**2.471.050**	**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.	-	-

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

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	**2.471.050**	**1.882.408**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**53.707.958**	**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)	53.707.958	44.568.647
Total Risk Weighted Assets	226.084.459	168.595.101
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	17,40	19,08
Tier I Capital Adequacy Ratio (%)	22,66	25,32
Capital Adequacy Ratio (%)	23,76	26,44
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 the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	12,90	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	3.965.281	3.271.104
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-

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)	5.992.905	4.966.267
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.471.050	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	-	-

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.

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

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 (e.g. 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	None
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	The loan to be included in the additional Tier 1 capital calculation
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.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated currency risk

Due to the uncertainties and volatilities in the markets, no short or long positions are followed, so it is foreseen that there will be no exchange rate risk. However, the 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. As part of the overall market risk, currency risk is also taken into account in the calculation of the Standard Ratio of Capital Adequacy.

No open positions are taken for foreign currency risks, and when any exchange rate risk arises from customer transactions, no exchange rate risk is carried by taking a counter position.

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 USD Dollar	1 Euro
The Parent Bank's "Foreign Exchange Valuation Rate"		
30 June 2025	39,6432	46,5054
Prior Five Workdays;		
27 June 2025	39,5323	46,2093
26 June 2025	39,5110	46,1607
25 June 2025	39,3647	45,7221
24 June 2025	39,3366	45,6423
23 June 2025	39,4826	45,4168

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 39,1725 and 45,0849 in full TL, respectively.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated currency risk (continued)

Information on the Group's foreign currency risk:

	Euro	US Dollar	Other FC	Total
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.176.204	5.878.809	-	7.055.013
Banks (8)	1.017.651	4.264.753	17.468	5.299.872
Financial Assets at Fair Value Through Profit or Loss (1)	284.716	355.991	-	640.707
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	3.379.154	3.769.427	-	7.148.581
Loans (2)	101.572.691	86.733.984	-	188.306.675
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost (3)	1.274.395	15.009.576	-	16.283.971
Derivative Financial Assets for Hedging Purposes (4)	-	263.217	-	263.217
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (5)	506	203.533	-	204.039
Total Assets	**108.705.317**	**116.479.290**	**17.468**	**225.202.075**
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	258.257	6.240.158	-	6.498.415
Funds Provided From Other Financial Institutions	61.657.854	98.132.369	-	159.790.223
Marketable Securities Issued	-	54.147.545	-	54.147.545
Miscellaneous Payables	298.414	1.377.295	9.287	1.684.996
Derivative Financial Liabilities for Hedging Purposes (4)	-	96.730	-	96.730
Other Liabilities (6)	485.431	865.176	-	1.350.607
Total Liabilities	**62.699.956**	**160.859.273**	**9.287**	**223.568.516**
Net Balance Sheet Position	**46.005.361**	**(44.379.983)**	**8.181**	**1.633.559**
Net Off-Balance Sheet Position	**(52.492.857)**	**52.729.286**	**(2.756)**	**233.673**
Financial Derivative Assets	5.780.610	58.833.114	241.297	64.855.021
Financial Derivative Liabilities	(58.273.467)	(6.103.828)	(244.053)	(64.621.348)
Non-Cash Loans (7)	7.707.412	16.347.079	-	24.054.491
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 rediscount of derivative financial transactions amounting to TL 125.630 has been deducted from the "Financial Assets Reflected in Fair Value Difference Profit or Loss".
(2) The loans provided include TL 422.991 of FX-indexed loans, TL 1.033.639 of Financial Lease Receivables, TL 1.249 of Frozen Receivables and TL (1.249) of Default (Third Stage/Special Provision), (TL 5.581.439) of the 1st and 2nd stages (including foreign currency-indexed loans) expected loss provision amounts.
(3) (11.241) TL 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. The exchange rate difference rediscount of TL (114.914) was not taken into account in the "Derivative Financial Assets for Hedging Purposes" line.
(5) It does not include prepaid expenses in the amount of TL 27.939 TL and foreign exchange purchase commitment rediscounts in the amount of 999 TL. It includes an amount of (26) TL for Stage 1 expected credit loss provision.
(6) Derivative financial transactions exchange rate difference rediscounts amounting to TL 1.327.010 and foreign exchange sales commitment rediscounts amounting to TL 642 are not included in the "Other Liabilities" line.
(7) It has no effect on the net off-balance sheet position.
(8) (7.882) TL 1st stage includes the expected loss provision amount.

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

III. 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 the Senior management, the Board of Directors and the Audit Committee are constantly informed.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. 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	-	-	-	-	-	7.056.964	7.056.964
Banks	3.513.765	-	-	-	-	1.947.452	5.461.217
Financial Assets at Fair Value Through Profit and Loss (3)	1.078.808	24.511	285.825	268.818	6.149	1.909.769	3.573.880
Money Market Placements	5.327.885	1.603.655	51	-	-	-	6.931.591
Financial Assets at Fair Value Through Other Comprehensive Income	4.928.026	1.119.114	6.650.561	10.220.472	744.252	1.688.516	25.350.941
Loans	39.425.803	51.429.839	89.129.412	24.451.280	3.539.897	-	207.976.231
Financial Assets Measured at Amortized Cost	689.559	5.554.020	2.280.391	14.011.041	2.284.172	-	24.819.183
Other Assets	-	-	-	-	-	10.309.285	10.309.285
Total Assets	**54.963.846**	**59.731.139**	**98.346.240**	**48.951.611**	**6.574.470**	**22.911.986**	**291.479.292**
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	17.276.857	1.989.101	3.845.772	-	-	-	23.111.730
Miscellaneous Payables	-	-	-	-	-	1.871.519	1.871.519
Marketable Securities Issued (3)	405.764	317.185	15.803.366	37.621.230	-	-	54.147.545
Funds Provided from Other Financial Institutions	18.351.036	50.585.599	85.463.803	8.168.109	857.284	-	163.425.831
Other Liabilities	756.800	605.342	1.085.137	299.534	-	46.175.854	48.922.667
Total Liabilities	**36.790.457**	**53.497.227**	**106.198.078**	**46.088.873**	**857.284**	**48.047.373**	**291.479.292**
Balance Sheet Long Position	**18.173.389**	**6.233.912**	**-**	**2.862.738**	**5.717.186**	**-**	**32.987.225**
Balance Sheet Short Position	**-**	**-**	**(7.851.838)**	**-**	**-**	**(25.135.387)**	**(32.987.225)**
Off-Balance Sheet Long Position	-	-	-	27.603.724	14.225.562	-	41.829.286
Off-Balance Sheet Short Position	(6.789.700)	(2.151.620)	(33.923.831)	-	-	-	(42.865.151)
Total Position	**11.383.689**	**4.082.292**	**(41.775.669)**	**30.466.462**	**19.942.748**	**(25.135.387)**	**(1.035.865)**

(1) Amounts in investments in associates and subsidiaries, deferred tax asset, 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) It also includes the issued main capital subordinated debt securities that are classified under subordinated debt instruments in the balance sheet.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. 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 (3)	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) Amount in investments in associates and subsidiaries, deferred tax asset, 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) It also includes the issued main capital subordinated debt securities that are classified under subordinated debt instruments in the balance sheet.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. 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	-	4,81	-	45,79
Financial Assets at Fair Value Through Profit and Loss	-	-	-	55,00
Money Market Placements	-	-	-	47,66
Financial Assets Measured at Fair Value Through Other Comprehensive Income	4,57	6,41	-	45,00
Loans	6,32	8,99	-	53,96
Financial Assets Measured at Amortized Cost	5,84	8,09	-	19,91
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,30	4,73	-	46,56
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	5,89	-	-
Borrower Funds	0,25	0,50	-	35,00
Funds Provided From Other Financial Institutions	3,83	5,58	-	43,53

(1) It also includes the issued main capital subordinated debt securities that are classified under subordinated debt instruments in the balance sheet.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. 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) *It also includes the issued main capital subordinated debt securities that are classified under subordinated debt instruments in the balance sheet*

IV. Explanations related to consolidated stock position risk

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 purpose. 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.

Equity shares risk due from banking book

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**	**Share Certificate Investments**	**Book Value**
Investment in Shares-Grade A	**3.652.107**	-	**3.101.858**
Quoted	3.652.107	-	3.101.858

Prior Period	**Comparison**		
Share Certificate Investments	**Book Value**	**Share Certificate Investments**	**Book Value**
Investment in Shares-Grade A	**3.277.958**	-	**3.322.123**
Quoted	3.277.958	-	3.322.123

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Equity shares 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	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	684.415	684.415	-	-	-
Other Share Certificates	-	1.470.141	1.470.141	-	-	-
Total	-	**2.154.556**	**2.154.556**	-	-	-

Current Period	Realized Revenues and Losses in Period	Revaluation Value Increases		Unrealized Gains and Losses		
Portfolio		Total	Included in Core Capital	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**	-	-	-

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. 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 liquidity coverage ratio, regulations for calculating liquidity adequacy, and the parent Bank's internal limits. Regarding liquidity risk, the parent Bank has established internal limits to keep the risk that can be taken in line with its risk appetite within certain boundaries and to monitor its liquidity position, in addition to legal limits.

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.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. 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 from assessment, taking relevant actions and informing Parent Bank's Asset and Liability Committee. In contingent cases, to identify 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 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 Parent Bank are monitored consistently. TSKB has the optionality of choosing one or more of the following for meeting it's liquidity requirement that are selling liquid assets off, increasing short term borrowing, decreasing illiquid assets, increasing capital.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. 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**
30/04/2025	181	259	304	416
31/05/2025	299	436	501	556
30/06/2025	341	407	485	471

		Rate of "Percentage to be taken into account" not Implemented Total value		**Rate of "Percentage to be taken into account" Implemented Total value**	
Current Period		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			20.485.057	13.267.391
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	16.580.932	10.506.704	14.524.525	8.500.453
6	Operational deposits	535.798	480.007	133.949	120.002
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	16.045.134	10.026.697	14.390.576	8.380.451
9	Secured funding			-	-
10	Other Cash Outflows	1.467.345	1.887.817	1.467.345	1.887.817
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1.467.345	1.887.817	1.467.345	1.887.817
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	53.707.019	40.158.175	7.337.552	3.438.307
16	**TOTAL CASH OUTFLOWS**			**23.329.422**	**13.826.577**
CASH INFLOWS					
17	Secured Lending Transactions	16.008	-	-	-
18	Unsecured Lending Transactions	19.766.455	12.657.175	14.635.980	9.661.350
19	Other contractual cash inflows	1.150.362	2.309.392	1.150.362	2.309.392
20	**TOTAL CASH INFLOWS**	**20.932.825**	**14.966.567**	**15.786.342**	**11.970.742**
				Upper Limit Applied Amounts	
21	**TOTAL HQLA STOCK**			**20.485.057**	**13.267.391**
22	**TOTAL NET CASH OUTFLOWS**			**7.543.080**	**3.456.644**
23	**LIQUIDITY COVERAGE RATIO (%)**			**272**	**384**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

2. Consolidated liquidity coverage ratio

		Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
Prior Period		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 the 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)

V. 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 57,28%, 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 29,48%. 13,23% 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.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. 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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)(2)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	7.056.964	-	-	-	-	-	7.056.964
Banks	1.947.452	3.513.765	-	-	-	-	-	5.461.217
Financial Assets at Fair Value Through Profit and Loss	297.233	1.194.785	30.205	437.062	2.059	-	1.612.536	3.573.880
Money Market Placements	-	5.327.886	1.603.655	50	-	-	-	6.931.591
Financial Assets at Fair Value Through Other Comprehensive Income	-	233.782	-	5.496.032	14.706.598	3.226.013	1.688.516	25.350.941
Loans	-	8.787.674	14.258.815	45.136.525	110.977.736	28.815.481	-	207.976.231
Financial Assets Measured at Amortized Cost	-	-	-	-	15.600.707	9.218.476	-	24.819.183
Other Assets(2)	282.824	-	-	-	-	-	10.026.461	10.309.285
Total Assets	**2.527.509**	**26.114.856**	**15.892.675**	**51.069.669**	**141.287.100**	**41.259.970**	**13.327.513**	**291.479.292**
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	6.575.707	11.894.614	19.235.925	57.312.485	68.407.100	-	163.425.831
Money Market Borrowings	-	17.276.857	1.989.101	3.845.772	-	-	-	23.111.730
Marketable Securities Issued (3)	-	405.764	317.185	15.803.366	37.621.230	-	-	54.147.545
Miscellaneous Payables	-	-	-	-	-	-	1.871.519	1.871.519
Other Liabilities	-	1.016.469	673.277	1.059.036	150.896	-	46.022.989	48.922.667
Total Liabilities	**-**	**25.274.797**	**14.874.177**	**39.944.099**	**95.084.611**	**68.407.100**	**47.894.508**	**291.479.292**
Liquidity Gap	**2.527.509**	**840.059**	**1.018.498**	**11.125.570**	**46.202.489**	**(27.147.130)**	**(34.566.995)**	**-**
Net Off-balance sheet Position	**-**	**(399.604)**	**(491.726)**	**(237.102)**	**163.474**	**(70.907)**	**-**	**(1.035.865)**
Financial Derivative Assets	-	27.546.571	14.605.293	24.709.609	41.776.877	19.198.467	-	127.836.817
Financial Derivative Liabilities	-	27.946.175	15.097.019	24.946.711	41.613.403	19.269.374	-	128.872.682
Non-cash Loans	-	2.767.425	834.573	8.262.566	6.331.446	6.616.903	2.839.543	27.652.456
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) It also includes the issued main capital subordinated debt securities that are classified under subordinated debt instruments in the balance sheet.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. 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 121,41%, and the three-month simple arithmetic average of the previous period was calculated as 125,22%.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. 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**	**ç**	**d**
		Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				
		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	Total Amount Applied to Consideration Rate
Current Stable Fund						
1	Equity Elements	43.288.655	-	-	11.892.960	55.181.615
2	Core capital and supplementary capital	43.288.655	-	-	11.892.960	55.181.615
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	762.633	44.365.959	32.315.024	151.854.958	171.075.984
8	Operational deposit/participation fund	762.633	-	-	-	381.317
9	Other debts	-	44.365.959	32.315.024	151.854.958	170.694.667
10	Liabilities equivalent to interconnected assets					
11	Other obligations	5.069.636	9.134.731	-	-	-
12	Derivative liabilities			612.077		
13	Other equity items and Liabilities not included above	5.069.636	8.522.654	-	-	-
14	**Current Stable Fund**					**226.257.599**
Stable Fund Required						
15	High quality liquid assets					10.159.017
16	Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17	Live receivers	74.535	42.937.674	32.817.050	141.014.324	153.418.937
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	-	12.635.669	7.894.257	4.334.894	10.177.373
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.	-	30.296.941	24.794.672	136.496.798	142.958.507
21	Receivables subject to a risk weight of 35% or less	-	-	-	3.047.888	1.981.127
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	74.535	5.064	128.121	182.632	283.057
25	Assets equivalent to interdependent liabilities					
26	Other assets	19.523.563	1.109.864	-	-	20.536.362
27	Physically delivered commodities including gold	-				-
28	Initial collateral for derivative contracts or guarantee fund given to the central counterparty			647.099		550.034
29	Derivative assets			61.678		61.678
30	Amount of derivative liabilities before deducting the variation margin			236.269		236.269
31	Other assets not listed above	19.523.563	164.818	-	-	19.688.381
32	Off-balance sheet liabilities		23.292.484	6.844.154	38.238.200	3.418.742
33	**Stable Fund Required**					**187.533.058**
34	**Net Stable Funding Rate (%)**					**120,79**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. 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**	**ç**	**d**
		Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				
		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	Total Amount Applied to Consideration Rate
	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			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**

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

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)

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 14,32% (December 31, 2024: 15,28%). The amount of on-balance sheet assets decreased by approximately 6,23% 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)	(54.381.834)	(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)	96.563	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)	24.211.083	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)	(16.667.571)	(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)**	**341.240.254**	**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 2023 and 31 December 2024 as of the previous period were used.

c) Consolidated Leverage Ratio

		Current Period (1)	Prior Period (1)
	Balance sheet Assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including	286.303.353	233.627.122
2	(Assets deducted from Core capital)	(1.684.746)	(1.150.917)
3	**Total risk amount of balance sheet assets (sum of lines 1 and 2)**	**284.618.607**	**232.476.205**
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	311.381	173.291
5	Potential credit risk amount of derivative financial assets and credit derivatives	1.255.153	826.964
6	**Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)**	**1.566.534**	**1.000.255**
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity	4.425.956	1.523.450
8	Risk amount arising from intermediary transactions	404.363	32.812
9	**Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)**	**4.830.319**	**1.556.262**
	Off-balance sheet transactions		
1	Gross notional amount of off-balance sheet transactions	66.892.365	46.036.567
1	(Correction amount due to multiplication with credit conversion rates)	(16.667.571)	(10.738.272)
1	**Total risk of off-balance sheet transactions (sum of lines 10 and 11)**	**50.224.794**	**35.298.295**
	Capital and total risk		
1	Core Capital	48.880.877	41.297.892
1	Total risk amount (sum of lines 3, 6, 9 and 12)	341.240.254	270.331.017
	Leverage ratio		
1	**Leverage ratio**	**14,32%**	**%15,28**

(1) The footnote format has been prepared by taking the average amounts for 3 months according to the BRSA regulations.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Links between financial statements and risk exposure

Footnotes and related explanations prepared in accordance with the "Communiqué on Disclosures to be Made to the Public by Banks on Risk Management" published in the Official Gazette numbered 29511 on 23 October 2015 and entered into force as of March, 31 2016 are provided in this section.

Since the standard approach is used in the calculation of the capital adequacy of the parent company Bank, tables regarding methods based on internal models are not included in accordance with the relevant communiqué.

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.

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. 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)	185.758.594	141.041.065	14.860.688
2	Standardized approach	185.758.594	141.041.065	14.860.688
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2.012.166	1.373.802	160.973
5	Standardized approach for counterparty credit risk	2.012.166	1.373.802	160.973
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	4.635.650	1.717.513	370.852
17	Standardized approach	4.635.650	1.717.513	370.852
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)	9.913.203	8.177.760	793.056
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**226.084.459**	**168.595.101**	**18.086.757**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

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	1.910.401	235.017.304	7.487.938	229.439.767
2	Debt Securities	-	48.633.870	152.262	48.481.608
3	Off-balance sheet exposures	6.028	85.751.571	277.034	85.480.565
4	**Total**	**1.916.429**	**369.402.745**	**7.917.234**	**363.401.940**

		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 exposures	8.306	41.725.002	117.571	41.615.737
4	**Total**	**3.688.793**	**284.282.157**	**8.329.784**	**279.641.166**

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	5.784
3	Receivables back to non-defaulted status	-
4	Amounts written off	-
5	Other changes	(1.778.148)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	**1.916.429**

	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	(793.901)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	**3.688.793**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Credit risk mitigation techniques - Standard approach

	Current Period	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
1	Loans	232.560.438	13.823.717	4.115.407	161.333	5.077	-	-
2	Debt securities	48.481.608	-	-	-	-	-	-
3	**Total**	**281.042.046**	**13.823.717**	**4.115.407**	**161.333**	**5.077**	**-**	**-**
4	Of which default	1.910.401	-	-	-	-	-	-

	Prior Period	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
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	-	-	-	-	-	-

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Credit risk under standard approach(continued)

Standard approach – 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**	**On-Balance sheet amount**	**Off-balance sheet amount**	**On-Balance sheet amount**
1	Exposures to sovereigns and their central banks	52.368.706	-	52.369.817	-	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	485	8.044	485	1.608	2.093	100%
4	Exposures to multilateral development banks	243.202	-	243.202	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	11.972.780	14.969.982	11.975.776	3.033.325	3.761.977	25%
7	Exposures to corporates	159.098.306	37.537.938	159.094.200	16.141.428	166.017.476	95%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-		-	-	-
10	Exposures secured by commercial real estate property	3.091.430	3.610	3.091.430	1.805	1.546.618	50%
11	Past due receivables	1.910.186	-	164.818	-	82.409	50%
12	Exposures in higher-risk categories	136	8.658	136	2.033	1.746	80%
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	1.703.742	-	1.703.742	-	1.703.742	100%
16	Other exposures	11.936.749	123.652	11.215.773	123.652	11.339.425	100%
17	Equity investments	5.268.389	-	5.268.389	-	11.216.310	213%
18	**Total**	**247.594.111**	**52.651.884**	**245.127.768**	**19.303.851**	**195.671.796**	**74%**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Credit risk under standard approach(continued)

Standard approach – 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**	**On-Balance sheet amount**	**Off-balance sheet amount**	**On-Balance sheet amount**
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%**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Standard approach – 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	52.369.817	-	-	-	-	-	-	-	-	-	-	52.369.817
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	2.093	-	-	-	-	2.093
4	Exposures to multilateral development banks	243.202	-	-	-	-	-	-	-	-	-	-	243.202
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	12.475.246	-	2.533.855	-	-	-	-	-	-	15.009.101
7	Exposures to corporates	-	-	4.255.754	-	12.128.208	-	158.350.556	501.110	-	-	-	175.235.628
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by property	-	-	-	-	3.093.235	-	-	-	-	-	-	3.093.235
10	Past due receivables	-	-	-	-	164.818	-	-	-	-	-	-	164.818
11	Exposures in higher-risk categories	-	-	-	-	1.507	-	-	662	-	-	-	2.169
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	-	-	-	-	-	-	1.703.742	-	-	-	-	1.703.742
15	Equity investments	-	-	-	-	-	-	1.303.108	-	-	3.965.281	-	5.268.389
16	Other exposures	-	-	-	-	-	-	11.339.425	-	-	-	-	11.339.425
17	**Total**	**52.613.019**	**-**	**16.731.000**	**-**	**17.921.623**	**-**	**172.698.924**	**501.772**	**-**	**3.965.281**	**-**	**264.431.619**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Exposures by asset classes and risk weights (continued)

	Prior 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	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**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Analysis of counterparty credit risk exposure by approach

	Current 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)	300.960	660.895	-	1,4	1.346.597	646.040
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)	-	-	-	-	2.120.678	927.280
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	**Total**	-	-	-	-	-	**1.573.320**

	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)	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 Standardized CVA capital charge	1.346.597	404.927
4	**Total subject to the CVA capital charge**	**1.346.597**	**404.927**

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Credit valuation adjustment (CVA) for capital charge (continued)

	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	695.972	179.483
4	**Total subject to the CVA capital charge**	**695.972**	**179.483**

Standardized approach – Counterparty credit risk exposures by regulatory portfolio and risk weights

Current Period / Risk Weight / **Risk Groups**	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Other**	**Total credit exposure (1)**
Exposures to sovereigns and their central banks	244.462	-	-	-	-	-	-	-	244.462
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	504	-	-	504
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	941.450	1.781.681	-	-	-	-	2.723.131
Exposures to corporates	-	-	-	10.986	-	487.956	-	-	498.942
Retail exposures	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	235	-	-	235
Total	**244.462**	**-**	**941.450**	**1.792.667**	**-**	**488.695**	**-**	**-**	**3.467.274**

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

Prior Period / Risk Weight / **Risk Groups**	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Other**	**Total credit exposure (1)**
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 Exposure: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Collateral used for counterparty credit risk

Current Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	15.034.301	-
Cash – foreign currency	1.028.200	-	1.454.087	-	7.126.753	-
Domestic sovereign debt	-	-	-	-	7.120	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**1.028.200**	**-**	**1.454.087**	**-**	**22.168.174**	**-**

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).

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

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Exposure 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	2.100.977	33.920	1.206.228	19.243
Exposures for trades at QCCPs (excluding initial margin and default fund contributions) of which	1.600.732	32.015	886.426	17.729
(i) OTC Derivatives	162.902	3.258	127.608	2.552
(ii) Exchange-traded Derivatives	34.053	681	82.841	1.657
(iii) Securities financing transactions	1.403.777	28.076	675.977	13.520
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	438.636	-	270.301	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	61.609	1.905	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).

Market risk—standard approach

		Risk Weighted Amount (RWA)	
		Current Period	Prior Period
	Outright products	-	-
1	Interest rate risk (general and specific)	474.449	441.388
2	Equity risk (general and specific)	409.463	79.738
3	Foreign exchange risk	3.586.950	1.196.137
4	Commodity risk	-	-
	Options	-	
5	Simplified approach	-	-
6	Delta-plus method	164.788	-
7	Scenario approach	-	-
8	Securitization	-	-
9	**Total**	**4.635.650**	**1.717.263**

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

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to 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	1.951	7.055.013	772	2.879.653
Other	-	-	-	-
Total	**1.951**	**7.055.013**	**772**	**2.879.653**

	Current Period (1)		Prior Period	
	TL	**FC**	**TL**	**FC**
Unrestricted demand deposits	1.951	8.617	772	7.345
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (2)	-	7.046.396	-	2.872.308
Total	**1.951**	**7.055.013**	**772**	**2.879.653**

(1) Expected credit loss amounting to TL 6.976 (December 31, 2024: TL 3.102) is allocated in "Balances with the Central Bank of Turkey".
(2) This is the amount of required reserves held in blockage at the Central Bank of the Republic of Turkey 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 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 June 30, 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
Funds obtained from overseas repo transactions and loans utilized from abroad within other liabilities of banks with maturities up to 1 month (including 1 month)	18
Funds obtained from overseas repo transactions and loans utilized from abroad within other liabilities of banks with maturities up to 3 months (including 3 months)	14
Foreign bank deposits/participation funds, funds obtained from overseas repo transactions, and loans utilized from abroad from other liabilities of banks with maturities up to one year (including one year)	12
Non-interest-bearing deposits/participation funds of foreign banks belonging to parent companies	0

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

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the consolidated assets

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

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 repo transactions conducted with domestic residents within other liabilities of banks with maturities 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 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 Positive differences related to derivative financial assets:

	Current Period		Prior Period	
Derivative Instruments (1)	**TL**	**FC**	**TL**	**FC**
Forward Transactions	44.114	24.814	3.294	511
Swap Transactions	704.343	737.294	692.662	1.241.834
Futures Transactions	-	-	-	-
Options	-	4.229	-	-
Other	-	-	-	-
Total	**748.457**	**766.337**	**695.956**	**1.242.345**

(1) Derivative Financial Assets for Hedging Purposes amounting to TL 148.303 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 June 30, 2025, the market rediscount value of these swaps, which have a nominal amount of $ 25 million, is TL 663.028 and maturity is 2027. (December 31, 2024: The market rediscount value of swaps with a nominal amount of 25 million dollars is TL 551.146).

2.d *Loans at Fair Value Through Profit or Loss:*

As of June 30, 2025, there are no loans with fair value difference reflected in profit and loss.

(31 December 2024: None).

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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	151.267	1.273.496	98.215	6.455.397
Foreign	-	4.036.454	-	1.350.261
Branches and head office abroad	-	-	-	-
Total	**151.267**	**5.309.950**	**98.215**	**7.805.658**

(1) An expected loss provision of TL 3.445 (31 December 2024: TL 2.239) has been allocated to the "Banks" account.

3.b Information on banks and foreign bank accounts:

It has not been prepared in accordance with Article 25 of the Communiqué on Financial Statements to be Publicly Disclosed by Banks and the Related Explanations and Footnotes.

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	7.800.706	2.717.361	-	1.985.056
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	**7.800.706**	**2.717.361**	**-**	**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 T.R. Undersecretariat of Treasury. The carrying value of those assets is TL 5.369.542 (31 December 2024: 5.366.843 TL).

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	5.369.542	-	4.271.767	1.095.076
Other	-	-	-	-
Total	**5.369.542**	**-**	**4.271.767**	**1.095.076**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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 67,56%, Eurobonds 23,61% and shares and other securities 8,82% (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	23.793.457	17.263.215
Quoted on a stock exchange	17.803.588	12.252.801
Unquoted	5.989.869	5.010.414
Share certificates	1.693.410	1.142.375
Quoted on a stock exchange	88.908	96.027
Unquoted	1.604.502	1.046.348
Impairment provision (-)	135.926	101.064
Other	**25.350.941**	**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 1.506.837 (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	216.426	-	307.580	-
Corporate shareholders	216.426	-	307.580	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	13.715	-	7.975	-
Total	**230.141**	**-**	**315.555**	**-**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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

Current Period (1)	**Standard Loans**	**Loans Under Close Monitoring**		
			Amendments on Conditions of Contract	
Cash Loans		**Loans Not Subject to Restructuring**	**Cash Loans**	**Refinance**
Non-specialized loans	189.207.800	1.606.158	12.530.727	-
Working Capital loans	30.160.393	760.703	4.297.441	-
Export loans	611.027	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	16.357.452	-	-	-
Consumer loans	13.715	-	-	-
Credit cards	-	-	-	-
Other	142.065.213	845.455	8.233.286	-
Specialized loans	-	-	-	-
Other receivables	3.433.089	-	-	-
Total	**192.640.889**	**1.606.158**	**12.530.727**	**-**

(1) *According to Bank account plan purchasing Loans, amounting to TL 4.892.345 shown under "Working Capital Loans", due to the nature of "Investment" shown under the category "other" in the above footnote*

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

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

Prior Period (1)	Standard Loan	Loans Under Close Monitoring		
			Amendments on Conditions of Contract	
Cash Loans		Loans Not Subject to Restructuring	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	936.607	-	957.906	-
Significant Increase in Credit Risk	-	4.784.099	-	3.882.690

5.c Loans according to their maturity structure:

It has not been prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

5. Explanations 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	6.260	7.455	13.715
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	6.260	7.455	13.715
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	**6.260**	**7.455**	**13.715**

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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	-	-	-
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	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 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**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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:

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.

5.g Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	206.209.901	164.737.890
Foreign Loans	567.873	448.205
Total	**206.777.774**	**165.186.095**

5.h Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	2.070.321	2.039.383
Indirect loans granted to subsidiaries and associates	-	-
Total	**2.070.321**	**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	1.322.453	1.459.431
Loans and receivables with doubtful collectability	-	5.170
Uncollectible loans and receivables	423.130	1.758.182
Total	**1.745.583**	**3.222.783**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Gross amounts before provisions	1.400.290	-	325.514
Restructured loans	1.400.290	-	325.514
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	IV. Group	V. Group
Current Period	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Prior Period End Balance	**1.904.537**	**10.339**	**1.765.611**
Additions (+)	-	-	5.784
Transfers from Other Categories of Non-performing Loans (+)	-	-	-
Transfers to Other Categories of Non-performing Loans (-)	-	-	-
Collections (-)	418.911	10.339	1.346.764
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	-	-	144
Current Period End Balance	**1.485.626**	**-**	**424.775**
Provisions (-)	1.322.453	-	423.130
Net Balance on Balance Sheet	**163.173**	**-**	**1.645**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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	IV. Group	V. Group
Prior Period	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
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 (-) (1)	(92.635)	(367.778)	(73.963)
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**	**1.765.611**
Provisions (-)	1.459.431	5.170	1.758.182
Net Balance on Balance Sheet	**445.106**	**5.169**	**7.429**

(1) The amount of 132.210 related to the real estate acquired due to the Bank's non-performing loans is shown under the collections line.

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	-	-	1.249
Provision (-)	-	-	1.249
Net Balance on Balance Sheet	-	-	-
Prior Period:			
Period End Balance	-	-	1.105
Specific Provision (-)	-	-	1.105
Net Balance on Balance Sheet	-	-	-

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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)	1.485.626	-	414.407
Provision Amount (-)	(1.322.453)	-	(412.762)
Loans to Real Persons and Legal Entities (Net)	163.173	-	1.645
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	10.368
Provision Amount (-)	-	-	(10.368)
Other Loans (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)	-	-	-

	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	-	-	144
Provision amount (-)	-	-	144
Prior Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	83	-	97
Provision amount (-)	83	-	97

5.j.5 Information on interest accruals, rediscount, and valuation differences calculated for non-performing loans and their provisions:

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

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

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.

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

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.

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	1.003.624	2.652.143	2.621.515	4.120.258
Subject to Repurchase Agreements	6.973.611	4.976.099	2.666.448	131.383
Total	**7.977.235**	**7.628.242**	**5.287.963**	**4.251.641**

6.b Information on government debt investments held-to-maturity:

	Current Period	Prior Period
Government Bonds	24.819.183	24.219.715
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	**24.819.183**	**24.219.715**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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	8.523.971	9.949.963
Not Quoted	16.295.212	14.269.752
Impairment provision (-)	-	-
Total	**24.819.183**	**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 on Monetary Assets	1.983.712	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	291.470	714.873
Balance at End of Period	**24.819.183**	**24.219.715**

Expected credit loss amounting to TL 17.691 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 of unconsolidating:

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)	32.338	29.360	25.902	-	-	(5)	(4)	-
2	Ege Tarım (2)	78.251	50.315	63.689	2.453	6.387	(1.101)	9.331	-

(1) *Represents for the period ended 31 March 2025 financial statements. Prior year profit/loss is obtained from 31 March 2024 financial statements.*
(2) *Fair value is calculated based on the stock market value as of June 30, 2025.*

Information on associates disposed in the current period

In the current period the Group has not disposed any associates.

Information on associates purchased in the current period

In the current period the Group has not purchased any associates.

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. 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/Türkiye	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	İstanbul/Türkiye	29,46	60,82
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş (İş Girişim)	İstanbul/Türkiye	16,67	59,86

		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	42.795.916	5.112.441	51.582	5.269.820	-	897.200	467.333	-
2	İş Finansal (1)	88.149.430	10.946.767	129.476	7.780.563	-	1.597.695	1.010.279	2.565.956
3	İş Girişim (1)	10.581.345	6.326.101	19.434	46.377	-	2.146.965	23.017	446.994

(1) Fair value is calculated based on the stock market value as of June 30, 2025.

	Current Period	Prior Period
Balance at the Beginning of the Period	**4.201.492**	**2.825.834**
Movements During the Period	478.720	1.375.658
Purchases	-	-
Bonus Shares Received	-	-
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase/Decrease (1)	478.720	1.375.658
Provision for Impairment (-)	-	-
Other	**4.680.212**	**4.201.492**
Balance at the End of the Period	-	-
Capital Commitments	-	-

(1) Includes accounting differences with the equity method.

Information on associates disposed in the current period

In the current period the Group has not disposed 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	1.111.957	1.014.392
Leasing Companies	2.897.053	2.632.351
Financial Service Companies	-	-
Other Financial Associates	666.145	549.582

7.e Information on consolidated associates quoted on stock market:

	Current Period	Prior Period
Associates Quoted on Domestic Stock Markets	3.563.196	3.181.933
Associates Quoted on Foreign Stock Markets	-	-

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

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	8.448
Other Comprehensive Income/Loss according to TAS	283.365	-
Current and Prior Years' Profit	643.569	4.836.308
Leasehold Improvements (-)	4.842	-
Intangible Assets (-)	1.258	113
Total Core Capital	**1.347.700**	**5.495.779**
Supplementary Capital	**-**	**-**
Capital	**-**	**-**
Net Available Capital	**1.347.700**	**5.495.779**

(1) *The information is obtained from financial statements subject to consolidation as of June 30, 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
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. 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 have 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.

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

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 of unconsolidating 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	100
2	TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (TSKB SD)	İstanbul/Türkiye	100	100

		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	163.835	123.975	28.068	16.026	-	37.225	26.264	-
2	TSKB SD	23.136	17.943	555	2.817	-	2.821	(367)	-

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)	6.661.240	1.353.801	190.558	1.098.004	245.077	174.826	172.060	-
TSKB GYO (1)(2)	6.108.973	5.495.892	5.887.896	19.110	-	781.871	1.004.681	3.347.291

(1) *The consolidated financial data of the subsidiaries are prepared in accordance with BRSA regulations.*

(2) *Fair value is calculated based on the stock market value as of June 30, 2025.*

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	1.091.049	1.542.790
Purchases	-	-
Bonus Shares Obtained	-	-
Current Year Shares of Profit	-	-
Sales	-	(801)
Revaluation Increase (1)	1.091.049	1.543.591
Provision for Impairment	-	-
Balance At the End of the Period	**6.310.323**	**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 in the current period
In the current period, the Group has not disposed any subsidiaries.

Subsidiaries purchased in the current period
In the current period, the Group has not purchased any subsidiaries.

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

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	6.167.464	5.085.830

8.g Subsidiaries subject to consolidation quoted on stock market:

	Current Period	Prior Period
Subsidiaries quoted on domestic stock exchanges	4.870.779	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 "Palmira 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	98.107	66.846	11.489	2.503	-	20.703	49.216	-

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	134.995	113.542	49.502	42.888
Between 1- 4 years	438.338	353.891	113.032	91.573
More than 4 years	687.937	566.206	353.471	283.092
Total	**1.261.270**	**1.033.639**	**516.005**	**417.553**

An expected loss provision amounting to TL 150.010 (December 31, 2024: TL 117.847) has been allocated to the "Financial Lease Receivables" account.

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

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	**1.261.270**	**516.005**
Unearned revenue from finance leases (-)	227.631	98.452
Cancelled finance leases (-)	-	-
Net investments in finance leases	**1.033.639**	**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 the 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 differences amounting to TL 148.303 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	43.277.160	148.303	96.730	38.602.372	18.436	417.848
FC	43.277.160	148.303	96.730	38.602.372	18.436	417.848
TL	-	-	-	-	-	-
Swap Currency Transactions	12.450.212	-	442.338	30.696.329	1.100.971	-
FC	12.450.212	-	442.338	30.696.329	1.100.971	-
TL	-	-	-	-	-	-

11.b Information on fair value hedge accounting

Current Period						
Hedging Item	**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)**
				Asset	**Liability**	
Interest Rate Swap Transactions	Fixed Rate Eurobond and Green bond Issued	Interest Rate Risk	(232.847)	-	172.705	(60.142)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	78.930	-	(85.011)	(6.081)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(67.197)	91.991	-	24.794

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

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

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 Hedging Item	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)
				Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond Issued	Fixed Rate Eurobond Issued	(27.268)	21.597	-	(5.671)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Fixed Rate Loans Used	106.172	-	(113.852)	(7.680)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Fixed Rate Issued Eurobond	(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

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.

13. Information on intangible assets

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.

14. Information on investment properties”

In the current period, the Group owns three investment properties with a net book value of TL 2.778.973 (December 31, 2024: TL 2.403.800) belonging to its subsidiary operating in the field of real estate investment trust. As of June 30, 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	800	-	52.873	437.153
Pendorya AVM	1.212.000	-	-	191.480	1.403.480
Divan Adana Oteli	808.320	-	-	130.020	938.340
Total	**2.403.800**	**800**	**-**	**374.373**	**2.778.973**

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 AVM	720.000	73.043	-	418.957	1.212.000
Divan Adana Oteli	489.350	-	-	318.970	808.320
Total	**1.430.350**	**73.043**	**-**	**900.407**	**2.403.800**

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

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 asset:

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	1.798.483	1.489.428
Loan commissions	118.946	89.961
Derivative transactions rediscount	240.657	-
Employee benefit provision	47.152	39.221
Securities	-	10.062
Differences in the economic life of tangible fixed assets	-	5.732
Differences Between the Book Value and Tax Value of Financial	576	-
Others (1)	144.057	118.956
Total Deferred Tax Asset	**2.349.871**	**1.753.360**
Deferred tax liabilities:		
Securities	(884.514)	(645.501)
Useful life difference of fixed assets	(438.524)	(341.134)
Derivative transactions rediscount	-	(527.528)
Borrowings commissions	(249.862)	(166.321)
Others (2)	(87.853)	(94.907)
Total Deferred Tax Asset/Liability	**(1.660.753)**	**(1.775.391)**
Net Deferred Tax Asset/Liability	**689.118**	**(22.031)**

(1) In addition, there is a deferred tax asset in the other item related to right of use assets of TL, 29.842 and other provisions of TL 51.000. (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 23.683 (December 31, 2024: 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	784.988	(1.054.593)
Deferred Tax that is Realized Under Shareholder's Equity	(73.839)	(448.043)
Deferred Tax Asset / (Liability) Net	**689.118**	**(22.031)**

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

There is no temporary differences over which deferred tax asset 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 whether the Bank with a foreign head office suits 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 fund:

The Parent Bank is not authorized to accept deposits.

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

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

Derivative Financial Liabilities Held For Trading (1)	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward Transactions	27.226	23.596	3.101	486
Swap Transactions	56.488	1.808.570	157.686	719.414
Futures Transactions	-	-	-	-
Options	-	6.606	-	-
Other	-	-	-	-
Total	**83.714**	**1.838.772**	**160.787**	**719.900**

(1) *Derivative Financial Liabilities for Hedging Purposes TL 539.068 (December 31, 2024: 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	2.000.437	2.973.240	20.916	-
From Foreign Banks, Institutions and Funds	1.635.171	156.816.983	-	123.981.589
Total	**3.635.608**	**159.790.223**	**20.916**	**123.981.589**

3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-term	3.635.608	2.973.240	20.916	-
Medium and long-term	-	156.816.983	-	123.981.589
Total	**3.635.608**	**159.790.223**	**20.916**	**123.981.589**

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

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Nominal	-	40.832.496	1.890.880	50.565.893
Cost	-	40.695.747	1.890.880	50.370.730
Book Value	-	41.937.400	1.950.424	51.561.928

As of June, 30 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%	-

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

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 (continued)

3.c Additional information about the concentrated areas of liabilities (continued)

Yatırım Varlık Kiralama A.Ş. has no securities issued as of June 30, 2025.

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

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. 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. Explanations on financial lease obligations (net)

5.a Explanations on finance lease payables:

As of the balance sheet date, 163 computers are subject to financial leasing transactions. In the current period, the Group has a liability of TL 4.063 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 branch, 28 cars and 127 computers and 463 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 61.178 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)	-	539.068	-	417.848
Cash Flow Hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	**-**	**539.068**	**-**	**417.848**

(1) *Derivative Financial Liabilities for Hedging Purposes are shown in the "Derivative Financial Liabilities".*

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

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 3.014 (December 31, 2024: TL 4.153).

The Parent Bank has an expected loss provision amounting to TL 274.020 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 1.650.000 within the precautionary principle, taking into account possible developments that may occur in the economy and markets. (December 31, 2024: TL 2.050.000). A provision reversal of 400.000 TL was made in the current period.

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 T19 and reflected it in its financial statements.

The following actuarial assumptions were used in calculating total liabilities.

	Current Period (%)	Prior Period (%)
Real Discount Rate	3,98	3,98
Nominal Discount Rate	28,30	26,70
Inflation Rate	23,39	21,85

As of June 30, 2025, severance pay provision amounting to TL 90.768 (December 31, 2024: TL 82.854) and leave obligation amounting to TL 61.098 (December 31, 2024: TL 42.844) are shown under employee rights provision in the financial statements.

Liabilities on pension rights:

As explained in detail in the Note XVII, Explanations on Obligations Regarding Employee Rights, in Section Three of the Report, the Parent Bank has no obligations arising from retirement rights as of June 30, 2025. (December 31, 2024: None).

Liabilities for pension funds established in accordance with Social Security Institution

As of June 30, 2025: None (December 31, 2024: None).

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

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, 2024, 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 22, 2025, no technical or actual deficit requiring provision as of December 31, 2024 was identified.

In this context, taking into account the provisions of the Law explained in the accounting policies regarding "Obligations Regarding the Rights of Employees" numbered 3. XVII for the circuit basic obligations of the Fund, the Parent Bank has no liability as of June 30, 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.

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 June 30, 2025, the Bank reflected the case provision of TL 170.000 (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:

7.c.1. In addition to the free reserves allocated for possible risks specified in the article, there are general provisions and other miscellaneous reserve amounts allocated for non-cash loans of TL 274.020 (December 31, 2024: TL 113.417).

8. Information on taxes payable

8.a Information on current taxes payable

8.a.1 Information on taxes payable:

	Current Period		Prior Period	
Corporate Taxes and Deferred Taxes	**TL**	**FC**	**TL**	**FC**
Corporate Taxes Payable	1.952.127	-	313.494	-
Deferred Tax Liability	435.623	-	334.512	-
Total	**2.387.750**	-	**648.006**	-

8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	1.952.127	313.494
Taxation of Securities	94.848	36.023
Capital gains tax on property	-	-
Banking and Insurance Transaction Tax (BITT)	58.503	53.071
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	12.912	8.499
Other	44.483	38.063
Total	**2.162.873**	**449.150**

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

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	3.475	2.842
Social Security Premiums-Employer	4.838	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	1.811	727
Unemployment Insurance-Employer	3.583	1.423
Other	-	-
Total	**13.707**	**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:

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.

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.

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

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.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 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:

The Parent Bank has no preferred shares (December 31, 2024: None).

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)	**878.797**	**-**	**1.182.193**	**-**
Financial Assets Measured at Fair Value Through Other Comprehensive Income	**1.367.463**	**394.429**	**928.597**	**197.133**
Valuation Differences	716.863	394.429	470.390	197.133
Foreign Exchange Difference	650.600	-	458.207	-
Total	**2.246.260**	**394.429**	**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:

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.

11.j Information on extraordinary reserves:

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.

12. Information on minority shares:

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.

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

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 Forward Purchase and Sales of Assets	17.105.727	848.301
Commitments for Letter of Guarantee	4.772.166	4.401.393
Commitments for Stock Brokerage Purchase and Sales	2.165.467	3.169.811
Commitments for Participation and Subsidiary Capital Participation (1)	363.699	142.284
Commitments for Money Market Brokerage Purchase and Sales	104.585	26.951
Other	14.982.757	1.836.766
Total	**39.494.401**	**10.425.506**

(1) The remaining amount of the Parent Bank's commitment to purchase the shares of the Turkish Growth and Innovation Fund (TGIF), which is planned to be established by the European Investment Fund (EIF), and the Parent Bank's TSKB It includes the capital participation commitment amount for the cash capital increase of Sustainability 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 18.166.440 (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 8.853.542 (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	3.681.462	4.520.926
With Maturity of One Year or Less than One Year	1	1.402.661
With Maturity of More than One Year	3.681.461	3.118.265
Other Non-Cash Loans	23.970.994	17.074.412
Total	**27.652.456**	**21.595.338**

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:

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.

1.c.3 Information on non cash loans classified under Group I and Group II:

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.

2. Information related to derivative financial instruments

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.

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 56 legal cases against the Bank which are amounting to TL 177.606 as of the reporting date (December 31, 2024: TL 156.955 - 68 legal cases).

According to the Parent Bank's Legal Department, other lawsuits filed against the Bank are not expected to have a significant impact on the financial statements. The provision set aside for a lawsuit filed against the Bank is detailed in Note 7.c.3 of Section Five.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (continued)

4. Explanations on contingent liabilities and assets (continued):

As a result of the legal assessment conducted on this matter, various lawsuits were filed against these tax assessments at tax courts in Istanbul, Ankara, and Izmir. The first-instance tax courts ruled partially in favor of the Parent Bank and partially against the Parent Bank. On the other hand, the Parent Bank has appealed the court decisions against it, while the Administration has appealed the decisions against the Administration. The appeal process is currently pending completion. Tax and penalty notices related to the first-instance tax court decisions against the Parent Bank have been accrued by the Administration according to legal procedures, and as of July 31, 2014, the Parent Bank has made a payment amounting to 22.091 TL.

Additionally, a similar issue was brought before the Constitutional Court (AYM) through individual application by the Parent Bank's main shareholder concerning the shares that the Parent Bank is obligated to pay. The court ruling, published in the Official Gazette on February 21, 2015, issue number 29274, under application number 2014/6192, stated that the tax assessments were contrary to the principle of legality and violated the Parent Bank’s right to property. This decision is considered a precedent for the Parent Bank, and an income accrual of 12.750 TL for the portion corresponding to the amounts the Parent Bank was obligated to pay during the relevant period has been recognized.

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 in 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 (TL 645) 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.

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):

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, Istanbul for the forfeiture because of zoning change. However, Municipality of Beyoğlu sued because of no approbation by Istanbul 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 Istanbul 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. 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 Istanbul 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 Istanbul 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.

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.

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

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	1.016.572	233.715	619.839	299.605
Medium and Long Term Loans	2.546.471	7.286.366	1.574.093	6.024.035
Interest on Non-performing Loans	2.223	338.909	1.569	27.983
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	**3.565.266**	**7.858.990**	**2.195.501**	**6.351.623**

(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)	119	-	330	-
Domestic Banks	9.199	47.312	116.508	30.856
Foreign Banks	-	679	-	4.648
Branches and Head Office Abroad	-	-	-	-
Total	**9.318**	**47.991**	**116.838**	**35.504**

(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	3.733	-	7.500	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.816.916	178.199	1.039.681	176.093
Financial Assets Measured at Amortized Cost	1.479.122	602.524	1.774.998	475.312
Total	**4.299.771**	**780.723**	**2.822.179**	**651.405**

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 June 30, 2025, the valuation of the said securities was calculated using the October 2024-October 2025 annual actual index rate 30,8%. (June 30, 2024: 44,9%). In the event of a 1% increase or decrease in the CPI estimate, the pre-tax profit for the period as of June 30, 2025, would increase or decrease by approximately 87 million (exact amount) TL.

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

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	128.037	91.951

2. Information on interest expenses

2.a Information on the interest given to the loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	365.206	1.391.075	184.600	1.403.616
The Central Bank of Turkey	-	-	-	-
Domestic Banks	79.989	65.091	109.547	222.343
Foreign Banks	285.217	1.325.984	75.053	1.181.273
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	152.297	2.660.254	-	2.331.282
Total (1)	**517.503**	**4.051.329**	**184.600**	**3.734.898**

(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	2.197.230	70.280	1.591.215

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

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. Information on net trading income (net)

	Current period	Prior period
Profit	**10.716.331**	**36.477.232**
Gains on capital market operations	391.342	115.653
Gains on derivative financial instruments (1)	3.825.539	3.478.556
Foreign exchange gains	6.499.450	32.883.023
Losses (-)	**10.608.203**	**37.967.330**
Losses on capital market operations	99.050	64.403
Losses on derivative financial instruments (1)	9.806.724	3.406.009
Foreign exchange losses	702.429	34.496.918

(1) The amount of profit arising from exchange rate changes related to derivative transactions in the amount of TL 756.777; In "Profit from Derivative Financial Transactions" (June 30, 2024: TL 1.578.319); TL (6.656.448) Amount of loss arising from exchange rate changes related to derivative transactions; It is included in the "Loss from Derivative Financial Transactions" (June 30, 2024:TL (1.607.636).

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

5. Information related to other operating income

	Current Period	Prior Period
Provisions Released	1.630.041	58.245
Gains on Sale of Assets	288	522
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	288	522
From Other Asset Sales	-	-
Other (1)	1.307.089	844.064
Total	**2.937.418**	**902.831**

(1) Also includes the income amount of TL 346.667 related to the intermediary issues of Yatırım Varlık Kiralama A.Ş. (June 30, 2024:TL 254.655). The same amount is included in other operating expenses as well, and it is shown as gross without netting for reporting purposes. As of the balance sheet date, it includes the reversal of discretionary provisions amounting to 400.000 TL allocated for potential risks. (June 30, 2024: None).

6. The Group's expected loss provisions and other provision expenses

	Current Period	Prior Period
Expected Credit Loss	1.203.939	694.298
12 Months Expected Credit Loss (Stage 1) (1)	(26.860)	84.299
Significant Increase in Credit Risk (Stage 2)	1.077.572	313.941
Non-performing Loans (Stage 3)	153.227	296.058
Marketable Securities Impairment Expenses	3.096	1.152
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.096	1.152
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other	70.000	-
Total	**1.277.035**	**695.450**

(1) The provision cancellations made from Stage 1 loan provisions in the relevant period are shown netted under the item of expected loss provisions and other provision expenses.

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

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	14.223	8.782
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	27.388	15.762
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortization Expenses of Intangible Assets	4.717	1.699
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	396.196	277.795
Rent Expenses Related to TFRS 16 Exceptions	6.869	5.772
Maintenance Expenses	12.296	8.794
Advertisement Expenses	3.771	4.050
Other Expenses (1)	373.260	259.179
Loss on Sales of Assets	-	-
Other (2)	451.406	366.984
Total	**893.930**	**671.022**

(1) *It includes non-bank service expenses of TL 109.225 TL, computer usage expenses of TL 32.494, and communication expenses of TL, 19.516 (June, 30 2024: It includes non-bank service expenses of TL 45.610, computer usage expenses of TL 26.175, and communication expenses of TL 14.645).*

(2) *It also includes an expense amount of TL 346.667 related to the issues of Yatırım Varlık Kiralama A.Ş. that it was brokered for. 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 duty expenses excluding corporate tax in the amount of TL 41.027; permit provisions expenses in the amount of TL 11.678 (June, 30 2024: includes tax and duty expenses excluding corporate tax in the amount of TL 67.509; permit provisions expenses in the amount of TL 14.178).*

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

Income items for the period ending on June, 30 2025 include net interest income of TL 7.900.376 (June, 30 2024: TL 7.845.697), net fee and commission income of TL 306.639 (June, 30 2024: TL 451.912) and other operating income of TL 2.937.418 (June, 30 2024: TL 902.831). The Group's pre-tax profit on June 30, 2025 increased by 42,92% compared to its previous period pre-tax profit Compared to the previous period, the Group's net interest income increased by 0,70%.

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 2.787.256 (June 30, 2024: TL 1.260.089 expense). Deferred tax expense is TL 784.988 (June 30, 2024: TL 215.117 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 784.988 (June 30, 2024: TL 215.117 expense).

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

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:

None (June, 30 2024: None).

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

The Group is increased the net profit by 45,28 % for the period ended June 30, 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 17.511.763 of interest income, TL 9.611.387 of interest expenses, TL 306.639 of net fees and commission income from banking operations (June 30, 2024: TL 14.579.918 interest income, TL 6.734.221 interest expenses, TL 451.912 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 changes in the accounting estimates. (June 30, 2024: None).

11.c Minority share of profit and loss:

The current year loss attributable to minority shares is TL 50.998 (June 30, 2024: TL 120.419 Profit). The total shareholders' equity, including current year profit attributable to minority shares, is TL 683.431 (June 30, 2024: TL 523.262).

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	144.930	149.031
Consulting Income	74.061	62.759
Commissions from Initial Public Offering	240	124.799
Investment Fund Management Income	33.580	22.557
Other	17.562	54.289
Total	**270.373**	**413.435**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations on the risk group of the 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 the beginning of the period	2.039.383	2.075	307.580	-	5.100.647	347.083
Balance at the end of the period	2.070.321	-	231.611	-	5.692.798	417.719
Interest and commission income received	80.203	8	10.106	-	281.335	2.817

(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 the beginning of the period	2.325.017	-	597.442	-	2.143.440	402.170
Balance at the end of the period	2.039.383	2.075	307.580	-	5.100.647	347.083
Interest and commission income received (2)	83.512	8	27.478	-	159.198	3.115

(1) Mutual transactions between the Parent Bank and its fully consolidated subsidiaries are eliminated.
(2) Information as of June 30, 2024.

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	
	Current Period	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	463.093	962.716	-	-	-	-
Total Profit / Loss (1)	(21.274)	(5.675)	-	-	-	-
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

(1) The previous period includes information up to June 30, 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 148.038 (June 30, 2024: TL 101.666).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Other explanations related to the events after the reporting date

On July 2, 2025, the Bank issued debt instruments amounting to 350,000,000 USD.

Under the coordination of Commerzbank Aktiengesellschaft, a syndicated loan agreement consisting of four separate tranches was signed on July 28, 2025, with the participation of international financial institutions. The agreement includes tranches of 76 million USD and 112.8 million EUR with a maturity of 367 days, and tranches of 25 million USD and 5 million EUR with a maturity of 734 days.

SECTION SIX

LIMITED AUDIT REPORT

I. Explanations on the independent limited auditors' report

The consolidated financial statements prepared as of June 30, 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 July 30, 2025 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.

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

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities

GENERAL INFORMATION

Board of Directors

Name & Surname	Role	Term	Independent Member	Committees and Roles
Hakan Aran	Board Chairperson	2024-2027	No	-
Ece Börü	Board Member	2024-2027	No	Corporate Governance Committee Member, Sustainability Committee Member
Murat Bilgiç	Board Member	2024-2027	No	Credit Revision Committee Member, Sustainability Committee Member, Risk Committee Member
Banu Altun	Board Member	2024-2027	Yes*	Audit Committee Member, Credit Revision Committee Chairperson, Risk Committee Member
Murat Doğan	Board Member	2024-2027	No	Remuneration Committee Member, Credit Revision Committee Member
Dr. Ş. Nuray Duran	Board Member	2024-2027	No	Sustainability Committee Member
İzlem Erdem	Board Member	2024-2027	Yes*	Audit Committee Chairperson, Corporate Governance Committee Chairperson, Remuneration Committee Chairperson, Risk Committee Chairperson
M. Sefa Pamuksuz	Board Member	2024-2027	Yes	Corporate Governance Committee Member
Mithat Rende	Board Member	2024-2027	No	Sustainability Committee Member
Abdi Serdar Üstünsalih	Board Member	2024-2027	No	-
Cengiz Yavilioğlu	Board Member	2024-2027	No	-

** Considered as an independent member pursuant to the Corporate Governance Communique by the CMB for being a Member of the Audit Committee.*

Information on the Bank's Board Meetings

The Board of Directors adopted 16 Board resolutions between January 1, 2025 and June 30, 2025. Board Members attended the meetings at a satisfactory level.

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. **Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)**

Senior Management and Directors

Name & Surname	Role
Murat Bilgiç	CEO
Meral Murathan	Executive Vice President - Treasury, Treasury and Capital Market Operations, Financial Institutions and Investor Relations, Development Finance Institutions, Climate Change and Sustainability Management
Hasan Hepkaya	Executive Vice President - Corporate Banking Marketing, Corporate Banking Sales, Project Finance
Özlem Bağdatlı	Executive Vice President - Human Resources, Corporate Communications, Legal Affairs, Pension and Assistance Funds
Bilinç Tanağardı	Executive Vice President - Application Development, System Support and Operation, Enterprise Architecture and Process Management, Procurement and Financial Affairs Management
Poyraz Koğacıoğlu	Executive Vice President - Capital Markets, Mergers and Acquisitions, Corporate Finance
S. Hüseyin Gürel	Executive Vice President - Advisory Services Sales, Financial and Technical Advisory, Credit Restructuring and Resolution, Engineering
Tolga Sert	Executive Vice President - Credit Portfolio Management and Analytics, Budget and Planning, Financial Control
Ozan Uyar	Executive Vice President - Loan Allocation, Financial Analysis, Loan Operations
Dr. Burcu Ünüvar	Director/Chief Economist - Economic Research
Melis Sökmen	Director - Human Resources, Corporate Communications
Burç Boztunç	Director - Treasury, Treasury and Capital Market Operations

Changes in the Bank's Senior Management and Directors during the period

There will be no changes in the Bank's Senior Management and Director levels between March 31 and June 30, 2025.

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

ASSESSMENTS OF THE BOARD CHAIRPERSON FOR THE PERIOD

In the second quarter of 2025, developments regarding tariffs continued to influence global financial markets. Risk appetite remained volatile in this period of severe uncertainties regarding global policies, particularly trade policies. On the other hand, despite the heightened uncertainties, global economic activity maintains a resilient outlook. The US dollar index depreciated due to increased uncertainties from the US. Although rising geopolitical tensions lead to fluctuations in energy prices every so often, global economic activity is expected to pursue a relatively slow course in the upcoming period and to be the main determinant for commodity prices.

The outlook of the Turkish economy in the second quarter of 2025 was marked by the effects of the additional monetary tightening steps taken since March. Economic activity slowed down in the second quarter due to the tight monetary policy stance, and growth in 2025 is expected to decrease slightly. On the other hand, the steps taken by the CBRT have resulted in a recovery of the reserves, with residents gravitating towards TL-denominated assets. Against this backdrop, the decline in annual inflation rates led the CBRT to resume the interest rate cut cycle.

In the first half of 2025, the banking sector continued to support the national economy with an FX-adjusted loan growth of %14. The sector stands out with its resilient and adaptable structure against international uncertainties in our geopolitical environment and is expected to see a gradual improvement in profitability in the second half of the year. In the meantime, monetary policy actions by the CBRT will be closely monitored. Holding a %15 market share in development and investment banking in terms of total loans, TSKB continues to make progress in line with its year-end targets thanks to its strong and differentiated financial performance in the first half of the year. The Bank’s strong cooperation with international development finance institutions has continued to enable TSKB to contribute qualified global funds to the national economy within the framework of development impact and sustainability principles. Furthermore, taking advantage of the decline in Türkiye's 5-year CDS premium along with the favorable global demand conditions, our Bank successfully completed a 5-year, USD 350 million Eurobond issuance. As a result, TSKB secured a return on shareholders’ equity of %31,0. A diversified funding structure, a strong asset quality and a capital adequacy ratio above the sector average support our Bank’s long-term growth targets.

Having celebrated its 75th anniversary at the second TSKB Development Day this year, TSKB is a development and investment bank that contributes to Türkiye's multidimensional development and works to unlock the country’s potential in any given field. In the period ahead, the Bank will resolutely maintain its strong financial performance, further consolidate its long-term cooperation with international financial institutions and bolster its support for Türkiye's sustainable, inclusive and qualified development.

Sincerely,

Board Chairperson

Hakan Aran

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

ASSESSMENTS OF THE CEO FOR THE PERIOD

We completed the first six months of 2025, which marks the 75th anniversary of our Bank, in line with our expectations. During the triple transformation process, we maintained efforts to create value through our know-how for sustainable development, our visionary approach that brings together the public sector, private sector, academia and civil society, and our financing and advisory solutions powered by our deep-rooted international partnerships. Accordingly, we organized the second TSKB Development Day, the first of which was held last year to contribute to a green and inclusive future.

In the first half of 2025, we secured new funds, further diversifying our funding structure in line with our growth strategy. To this end, our new funding deal with the Development Bank of Austria (OeEB) for EUR 25 million in May, which will be used to finance renewable energy and energy efficiency investments, marked the third agreement concluded by and between TSKB and OeEB. During the same period, we signed a USD 200 million funding agreement with the Asian Infrastructure Investment Bank (AIIB) under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance. This is our third loan agreement with the AIIB, a marked achievement in our ongoing, successful partnership. The funds from this deal will be used to finance private sector projects in areas such as renewable energy, energy efficiency, climate industries and digital infrastructure for combating and adapting to climate change. In June, we signed a new EUR 75 million loan agreement with the European Bank for Reconstruction and Development (EBRD) to support youth employment as well as companies in the regions affected by the February 6 earthquake, yet another financing practice launched under the vision of supporting Türkiye's sustainable and inclusive development. In addition, we successfully issued a 5-year, USD 350 million Eurobond, expanding TSKB's investor base in international markets and reaffirming our strong reputation and investor confidence with a 50 bps price improvement from opening to closing.

We are delighted to have realized the first investment under the Türkiye Green Fund in the second quarter. Türkiye Green Fund is a venture capital focusing on emission reduction and inclusive transformation and was launched by TSKB, the main investor, last year with funding from the World Bank under the guarantee of the Ministry of Treasury and Finance, breaking a new ground in Türkiye and the world alike. İş Enerji, a subsidiary of İşbank Group, and the 'Clean Energy Fund and Atlas Fund' managed by Maxis Venture Capital made a total capital investment of EUR 45 million in wind turbine manufacturer Ateş Çelik.

In the first six months of 2025, our strong performance in line with our mission and our year-end targets has enabled us to disburse over USD 1.1 billion in long-term cash loans year-to-date. Dominated by inclusive and strategic development items such as climate and earthquake finance, renewable energy, energy and resource efficiency, capacity increase in the manufacturing sector, new technology investments and increasing women's employment, our SDG-linked loans comprised %93 of our total loan portfolio at end-June. With our liquidity diversified and further strengthened by the new funds we secured, we continued to support investments aiming to mitigate and adapt to ecosystem risks and focus on social development in Türkiye. As a result, in the first half of the year, our Bank's total asset size increased by %23,0 to TL 291,5 billion, while our total loan portfolio reached TL 209,7 billion with a %71 share in total assets. Moreover, while we further improved our asset quality through a robust collection performance, we maintained strong provision ratios, outdoing the sector averages. In this period, the ratio of total Stage 2 and 3 loans to total loans stood at %8. We also diverged from the sector with our superior capital adequacy ratio of %20,1 excluding the BRSA temporary measures, a CAR supported by our internal capital generation capacity. In the same period, with a net profit of TL 6.523 million, we have delivered a return on shareholders' equity of %31,0 in line with our year-end expectations.

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

ASSESSMENTS OF THE CEO FOR THE PERIOD (Continued)

At TSKB, we have long supported cultural development through education and arts and continue to reach out to children and young people through projects focusing on social good. Through the ‘Female Stars of Tomorrow: Young Female Musicians Education Support Fund’ project we launched in cooperation with İKSV in 2018, we have so far funded 120 musicians. During the Female Stars of Tomorrow concert as part of the 53rd Istanbul Music Festival, young musicians rendered the first performance of TSKB 75th Year Composition by Ceren Türkmenoğlu.

To honor our mission to contribute to every aspect of education, we launched the '11 Libraries in 11 Provinces' project immediately after the earthquakes of February 6, a project aiming to strengthen the educational infrastructure in disaster-affected cities. We commissioned our 11th library for our children at Karşıyaka Secondary School in Elazığ. We are delighted to have delivered almost 50 thousand books as well as various mind games and educational tools and equipment to over 7 thousand students through the libraries we have opened so far.

As I will be stepping down from my position as TSKB CEO by August due to retirement, I am taking this opportunity to address you for the last time through this report. I would like to offer my heartfelt thanks to our management team, all my colleagues and stakeholders for their valuable contributions, support and trust during my tenure. I sincerely believe that TSKB's unique and hard work will continue to distinguish TSKB from its peers and make our Bank shine for years to come, as it has done for the last 75 years. I will personally take pride in following the impending development of our Bank.

Sincerely,

CEO

Murat Bilgiç

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

ECONOMIC HIGHLIGHTS FROM THE INTERIM PERIOD

Economic Highlights from Q2 2025

While global economic activity slowed down slightly in the second quarter of 2025, countries continue to diverge. The global manufacturing purchasing managers' index (PMI) was 50,3 in March but slightly declined in April and May before rising back to 50,3 in June, thus entering the expansion zone. Services PMI, on the other hand, declined to 51,9 in June from 52,6 in March but still remained in the expansion zone. Tariff-related developments triggered volatility in financial markets in the second quarter of 2025. In early April, the US administration announced reciprocity-based tariffs, with a subsequent decline in risk appetite due to the higher-than-expected rates. The following postponement of tariffs and the start of trade negotiations in the meantime enabled the demand for risky assets to recover. While trade policy uncertainties have increased slightly in recent days, the emerging tariff regime will be decisive for global economic activity. Although energy prices, particularly oil prices, rose sharply in early June due to the rising geopolitical tensions between Israel and Iran, the ceasefire between the two countries in the following weeks brought prices back to pre-tension levels. High levels of uncertainty led to fluctuations in the risk premium of emerging economies, while capital flows to these countries improved towards the end of the second quarter.

After slowing down in the context of the Turkish economy in 2024, this trend continued in the first quarter of 2025. Domestic demand drove growth, while net external demand made a negative contribution to growth in the first quarter of 2025. Annualized GDP in USD terms stood at USD 1 trillion 371 billion. In Türkiye, preliminary data for the second quarter of 2025 indicates that economic activity continues to slow down. According to seasonally and calendar adjusted figures, industrial production contracted by %3,2 in April but increased by %3,1 in May. Retail sales remained relatively resilient, increasing by %2,9 and %1,6 month-on-month in April and May respectively. According to seasonally adjusted figures, the unemployment rate rose to %8,4 in May from %8,0 in March, while broadly defined unemployment indicators presented a relatively weak outlook. Manufacturing purchasing managers' index (PMI) remained in contraction zone, falling to 46,7 in June from 47,3 in March. Capacity utilization rate has fluctuated up and down in the last three months, while sectoral confidence indices have been volatile.

Balance of payments equilibrium deteriorated slightly in the second quarter. While exports continued to recover, imports accelerated, and foreign trade deficit widened in the first six months year on year. Despite the rise in services revenues, developments on the revenues side made a negative contribution to the current account balance. Preliminary data from the Ministry of Trade shows that exports increased by %4,1 in the first half of the year compared to the same period in 2024, while imports rose by %7,2. Therefore, the foreign trade deficit increased from USD 42,5 billion in January-March 2024 to USD 49,4 billion in January-March 2025. The 12-month total current account deficit increased from USD 12,9 billion in March 2025 to USD 16,0 billion in May 2025.

The disinflation process that started in June 2024 continued in the second quarter of 2025. Annual inflation in the headline consumer price index (CPI) fell to %35,0 in June from %38,1 in March 2025. In the same period, annual inflation in the general domestic producer price index (D-PPI) edged up to %24,5 from %23,5. The decline in annual inflation is expected to continue in the upcoming months, albeit at a slower pace. The CBRT tightened its monetary policy stance in March in response to increased volatility in domestic financial markets. At its April 17 meeting, the CBRT raised the policy rate by 350 basis points to %46,0, while maintaining the asymmetric interest rate corridor. At its June meeting, the CBRT kept the policy rate unchanged in line with market expectations. It also made changes to the macroprudential framework to strengthen the monetary transmission mechanism and support the transition to the TL.

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

ECONOMIC HIGHLIGHTS FROM THE INTERIM PERIOD (Continued)

Economic Highlights from Q2 2025 (Continued)

Banking Sector

In the second quarter of 2025, total loans increased by 14 % in TL terms on a foreign currency-adjusted basis compared to the beginning of the year. According to BRSA's Weekly Bulletin, as of June 27, the sector's Turkish lira (TL) loans rose by 18,2 %, while foreign currency (FX) loans grew by a foreign currency-adjusted 7,1 %.

In the second quarter of 2025, total corporate loans rose by 12,3 %, an increase primarily propelled by the growth in TL corporate loans. On a foreign currency-adjusted basis, SME loans surged by 11,9 %, while corporate loans excluding SME loans rose by 12,5 %. SME loans grew by 13,2 % in state-owned banks and by 10,5 % in private banks.

In the second quarter of 2025, NPLs in the sector increased by 47,8 % in nominal terms, with the NPL ratio standing at 2,14 % owing to the contribution of the increase in total loans and the impact of asset write-offs and portfolio sales. NPLs increased by 36 bps in the first quarter of the year due to the 26 bps negative contribution of the increase in performing loans, 13 bps negative contribution from the exchange rate effect and 76 bps positive contribution from NPL formation. NPLs in the sector reached TL 425 billion in the second quarter of 2025. This increase was mainly led by total retail loans originating from retail credit cards. The NPL ratio in retail loans rose from 2,83 % to 3,80 % due to the 63,7 % increase in NPL formation. The ratio of non-performing loans in corporate lending, excluding SMEs, was realized at 1.16%, similar to the levels at the end of 2024. The NPL ratio in SME loans rose from 2 % to 2,55 % due to the 48,1 % increase in non-performing loans.

As of the second quarter of 2025, TL deposits in the sector shrinks by 15,7 % in nominal terms, while FX deposits surged by 33,1 %. Foreign currency-adjusted FX deposits increased by 10,7 % compared to year-end.

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

ECONOMIC HIGHLIGHTS FROM THE INTERIM PERIOD (Continued)

GENERAL ASSEMBLY RESOLUTIONS

The Bank's annual Ordinary General Assembly meeting was held at the Head Office on March 24, 2025. General Assembly resolutions were shared with shareholders via the Interim Report for the Period of January 1 - March 31, 2025, the Bank's web site and the Public Disclosure Platform.

HIGHLIGHTS FROM THE BANK’S OPERATIONS IN THE INTERIM PERIOD

In the first half of 2025, TSKB continued to diversify its funding structure in line with its growth strategy and to create value in line with its sustainable development goals.

In May, the Bank signed a new EUR 25 million loan agreement with the Development Bank of Austria (OeEB). These funds will be used to finance renewable energy and energy efficiency investments. During the same period, TSKB signed a USD 200 million funding agreement with the Asian Infrastructure Investment Bank (AIIB) under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance. TSKB will use this on-lending facility as part of climate mitigation and adaptation efforts to extend continued support to private sector investments in renewable energy, energy efficiency, climate industries and digital infrastructure. In June, a new EUR 75 million loan agreement was signed with the European Bank for Reconstruction and Development (EBRD), with the deal stipulating the channeling of at least %15 of funds to support youth employment and at least %15 of funds to support companies in regions affected by the February 6 earthquakes. Moreover, the Bank further reinforced its strong liquidity with a 5-year, USD 350 million Eurobond issuance in global international markets.

During the same period, Türkiye Green Fund, the first loan-backed venture capital focusing on emission reduction and inclusive transformation in Türkiye and in the world, made its first investment of EUR 45 million in Ateş Çelik through the ‘Clean Energy Fund and Atlas Fund’ managed by İş Enerji and Maxis Venture Capital, both subsidiaries of İşbank Group.

The Bank also organized the second ‘TSKB Development Day’ event in this reporting period. Launched in 2024, TSKB Development Day has become a key milestone contributing to a green and inclusive future and serves to expand platforms to support the public sector, private sector, academia and civil society to act on a common vision.

TSKB also stands out with projects that strengthen its focus on social good. The Bank has so far provided educational support to 120 young musicians under the ‘Female Stars of Tomorrow: Young Female Musicians Education Support Fund’, which has been launched in 2018 in cooperation with İKSV. As part of the 53rd İstanbul Music Festival, young musicians took the stage and performed for the first time a specially-composed piece for TSKB's 75th anniversary.

In addition, TSKB opened its 11th library under the ‘11 Libraries in 11 Provinces’ project launched after the February 6 earthquakes. The latest library has been put into the service of children at Karşıyaka Secondary School in Elazığ. The Bank has so far reached over 7 thousand students, providing them with almost 50 thousand books, various mind games and educational support equipment.

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

Highlights from the Bank's Corporate Governance Operations

The Bank's Sustainability Principles Compliance Framework, Corporate Governance Compliance Report and Information Forms were published on the Public Disclosure Platform (PDP). The reports concerned are available at https://www.kap.org.tr/tr/Bildirim/1396915, https://www.kap.org.tr/tr/Bildirim/1396916 and https://www.kap.org.tr/tr/Bildirim/1396914 respectively.

FINANCIAL HIGHLIGHTS FROM THE INTERIM PERIOD

The summary for the Bank’s main financial indicators as of June 30, 2025 is provided below: Total assets surged by 38 % year on year and by 23 % compared to 2024 year end, reaching TL 291,5 billion.

As of end-June, the total loan portfolio reached TL 209,7 billion, exhibiting an increase of 37 % year-on-year, 24 % compared to the end of 2024 and 4,5 % in foreign currency-adjusted terms. The loans to assets ratio stood at 72 %. The ratio of non-performing loans to total loans stood at 0,0 % as of the end of June.

The shareholders' equity reached TL 40,1 billion, marking a 48 % rise year on year and an 21 % expansion compared to year end 2024. The capital adequacy ratio stood at 26,4 % by the end of 2024 but declined to 23,8 % by the end of June 2025.

In the first quarter of 2025, net interest income elevated by 1 % year on year to stand at TL 7,900 million, while the income from fees and commissions shrank by 32 % to TL 307 million. The cost to income ratio stood at 13,8 % in 2024 reaching 22,1 % in the first quarter of 2025.

In the first quarter of the year, the Bank’s net profit reads as TL 6.523 million with a surge of 45 % year-on-year.

The return on equity was 38,5 % in 2024 and stood at 31,0 % in the first quarter of 2025.

The return on assets ratio stood at 4,9 % at end-2024 and at 4,2 % in the first quarter of 2025.

RISK MANAGEMENT”

TSKB's Risk Management Policies and the codes of practice pertaining to such policies are comprised of written standards set by the Board of Directors and implemented by the Bank's senior management.

Under TSKB's Risk Management Policies, the main risks the Bank is exposed to are identified as credit risks, asset-liability management risks (market risk, structural interest rate risk, liquidity risk) and operational risks. A Risk Management Department is established within the Bank to ensure compliance with the said risk policies and the codes of practice pertaining thereto and to manage - in parallel with these policies - the risks the Bank is exposed to.

TSKB's Risk Management Department is actively involved in all processes regarding the management of risks and regularly reports to the Board of Directors, the Audit Committee, the senior management and the relevant departments within the Bank. The roles, responsibilities and structure of the Department are set in the Regulation on Risk Management Department.

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT

I. Interim Activity Report Containing Evaluations of the Group's Chairman of the Board and CEO Regarding Interim Activities (Continued)

FURTHER INFORMATION

Developments making a significant impact on the Bank's operations during the period are explained above. For further information, the Integrated Annual Report for 2024 is available on the following website: https://www.tskb.com.tr/uploads/file/tskb-2024-entegre-faaliyet-raporu.pdf