

# **Türkiye Sınai Kalkınma Bankası Anonim Şirketi**

**Publicly announced unconsolidated financial statement and related disclosures at September 30, 2025 together with auditor's review report and interim activity report**

**(Convenience translation of publicly announced unconsolidated 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 unconsolidated balance sheet of Türkiye Sınai Kalkınma Bankası Anonim Şirketi ("the Bank") at 30 September 2025 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month-period then ended. The Bank 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 unconsolidated 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.



#### *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 Unconsolidated financial statements as at 30 September 2025 include a free provision amounting to TL 1.300.000 thousand, which consists of TL 2.050.000 thousand provided in prior years and TL 750.000 thousand reversed in the current period by the Bank management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 1.300.000 thousand, net profit and equity would have decreased by TL 750.000 thousand and increased by TL 1.300.000 thousand, respectively as at 30 September 2025.

#### *Qualified Conclusion*

Based on our review, except for the effects of the matter on the unconsolidated 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 unconsolidated financial information do not present fairly in all material respects the unconsolidated financial position of Türkiye Sınai Kalkınma Bankası Anonim Şirketi at 30 September 2025 and its unconsolidated operations and its unconsolidated cash flows for the nine-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 unconsolidated 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 September 2025. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Gökçe Yaşar Temel, SMMM  
Independent Auditor

Istanbul, 27 October 2025

**THE UNCONSOLIDATED FINANCIAL REPORT OF  
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.  
FOR THE NINE-MONTH PERIOD THEN ENDED 30 SEPTEMBER 2025**

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

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The unconsolidated financial report for the nine-month period then ended includes the following sections in accordance with “Communiqué on the Financial Statements and Related Explanations and Notes that will be made Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT
- INTERIM REPORT

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

27 October 2025

**Hakan ARAN**  
Chairman of Board  
Members

**Ozan UYAR**  
Member of Board of  
Directors and General  
Manager

**Tolga SERT**  
Executive Vice President  
in Charge of Financial  
Reporting

**Dilek PEKCAN MİŞE**  
Head of Financial Control

**Ece BÖRÜ**  
Chairman of Audit Committee

**Banu ALTUN**  
Member of Audit Committee

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

**Name-Surname / Title** : Gizem Pamukçuoğlu / Head of Financial Institutions and Investor Relations Department  
**Telephone Number** : (212) 334 52 58

**SECTION ONE**

## General Information

I.	The Bank's incorporation date, beginning status, changes in the existing status .....	1
II.	Explanations regarding the Bank's shareholding structure, shareholders holding directly or indirectly, collectively or individually, the managing and controlling power and changes in current year, if any and explanations on the controlling group of the Bank .....	1
III.	Explanations regarding the chairman and the members of board of the directors, audit committee, general manager and assistant general managers and their shares and responsibilities in the Bank .....	2
IV.	Information about the persons and institutions that have qualified shares in the Bank .....	3
V.	Summary on the Bank's functions and areas of activity .....	3
VI.	The existing or potential, actual or legal obstacle on the transfer of shareholders' equity between the Bank and its subsidiaries ..... or the reimbursement of liabilities .....	3
VII.	The Bank's written policies regarding compliance with its public disclosure obligations and the evaluation of the accuracy, frequency and appropriateness of such disclosures .....	3

**SECTION TWO**

## Unconsolidated Financial Statements

I.	Unconsolidated balance sheet .....	4
II.	Unconsolidated statement of off-balance sheet items .....	6
III.	Unconsolidated statement of profit or loss .....	7
IV.	Unconsolidated statement of profit or loss and other comprehensive income .....	8
V.	Unconsolidated statement of changes in shareholders' equity .....	9
VI.	Unconsolidated statement of cash flows .....	11

**SECTION THREE**

## Accounting Policies

I.	Basis of presentation .....	12
II.	Explanations on usage strategy of financial assets and foreign currency transactions .....	13
III.	Explanations on forward and option contracts and derivative instruments .....	15
IV.	Explanations on associates and subsidiaries .....	15
V.	Explanations on interest income and expenses .....	16
VI.	Explanations on fees and commission income and expenses .....	16
VII.	Explanations on financial assets .....	16
VIII.	Explanations on impairment of financial assets .....	20
IX.	Explanations on offsetting, derecognition and restructuring of financial instruments .....	24
X.	Explanations on sales and repurchase agreements and lending of securities .....	26
XI.	Explanations on assets held for sale and discontinued operations .....	26
XII.	Explanations on goodwill and other intangible assets .....	27
XIII.	Explanations on tangible assets .....	27
XIV.	Explanations on leasing transactions .....	28
XV.	Explanations on provisions and contingent liabilities .....	30
XVI.	Explanations on liabilities regarding employee benefits .....	30
XVII.	Explanations on taxation .....	32
XVIII.	Additional explanations on borrowings .....	35
XIX.	Explanations on share certificates issued .....	35
XX.	Explanations on acceptances .....	35
XXI.	Explanations on government incentives .....	36
XXII.	Explanations on segment reporting .....	36

**SECTION FOUR**

## Information on Financial Structure and Risk Management

I.	Explanations related to shareholders' equity .....	37
II.	Explanations related to currency risk .....	42
III.	Explanations related to interest rate risk .....	44
IV.	Explanations related to stock position risk .....	49
V.	Explanations on liquidity risk management, liquidity coverage ratio and net stable funding ratio .....	50
VI.	Explanations related to leverage ratio .....	59
VII.	Explanations related to risk management .....	60

**SECTION FIVE**

## Explanations and Disclosures on Unconsolidated Financial Statements

I.	Explanations and disclosures related to the assets .....	62
II.	Explanations and disclosures related to the liabilities .....	82
III.	Explanations and disclosures related to the off-balance sheet items .....	88
IV.	Explanations and disclosures related to the income statement .....	90
V.	Explanations on the risk group of the Bank .....	94
VI.	Other explanations related to the events after the reporting date .....	95

**SECTION SIX**

## Auditor's Limited Review Report

I.	Explanations on the auditors' limited review report .....	95
II.	Explanations and notes prepared by independent auditors .....	95

**SECTION SEVEN**

## Information On Interim Activity Report

I.	Interim period activity report included chairman of board of directors and CEO's assessment for the interim activities. ....	96
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**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2025**

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

**SECTION ONE**

**GENERAL INFORMATION**

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

Türkiye Sınai Kalkınma Bankası A.Ş. ("The Bank") was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on 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 Bank is "Development and Investment Bank". The Bank does not have the license of "Accepting Deposit". Since the establishment date of the Bank, there is no change in its "Development and Investment Bank" status.

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

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

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

  

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

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

The Bank shares are traded in Istanbul Stock Exchange ("BIST") since December 26, 1986. The Bank's 51,37% of the shares belongs to İş Bank Group and 41,2% of these shares are in free floating and traded in BIST Star Market with "TSKB" ticker.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2025**

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

**SECTION ONE (Continued)**

**GENERAL INFORMATION (Continued)**

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

**The Chairman and The Members of Board of Directors:**

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

**General Manager and Vice Presidents**

Name Surname	Title / Area of Responsibility
Ozan Uyar (2)	General Manager
Meral Murathan	Executive Vice Manager – 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, Credit Operations
Özlem Bağdatlı	Executive Vice President – Human Resources, Corporate Communication, Legal Affairs, Retirement and Supplementary Foundations
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 – Consulting Services Sales, Financial and Technical Consulting, Loan Structuring and Analysis, Engineering, Credit Allocation
Tolga Sert	Executive Vice President – Credit Portfolio Management and Analytics, Budgeting and Planning Financial Control, Financial Analysis

- (1) The shares held by the above-mentioned persons in the Bank are symbolic
- (2) Mr. Murat Bilgiç submitted his request to the Board of Directors to retire and leave his duties at the end of July 31, 2025, and following the receipt of the necessary legal applications and permissions, it was decided that Mr. Ozan Uyar would begin his duties as General Manager.
- (3) Our Bank's Board Member, Ms. İzlem Erdem, resigned from her position on August 29, 2025. Mr. Murat Bilgiç was elected to fill the vacant Board Membership pursuant to Article 363 of the Turkish Commercial Code.
- (4) At the meeting of our Bank's Board of Directors held on August 29, 2025, Ms. Ece Börü was elected to the Audit Committee.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2025**

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

**SECTION ONE (Continued)**

**GENERAL INFORMATION (Continued)**

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

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

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

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

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

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

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

The Bank's 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 Bank accessible from the Bank's corporate website.



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

ASSETS	Section 5 Note I	Current Period 30 September 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>33.843.354</b>	<b>19.610.305</b>	<b>53.453.659</b>	<b>16.462.594</b>	<b>18.808.018</b>	<b>35.270.612</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>12.243.660</b>	<b>11.187.820</b>	<b>23.431.480</b>	<b>1.927.260</b>	<b>10.549.148</b>	<b>12.476.408</b>
1.1.1 Cash and Balances with Central Bank	(1)	955	5.581.939	5.582.894	772	2.879.653	2.880.425
1.1.2 Banks	(3)	16.484	5.612.012	5.628.496	3.006	7.672.856	7.675.862
1.1.3 Money Market Placements		12.226.642	-	12.226.642	1.923.891	-	1.923.891
1.1.4 Expected Credit Losses (-)		421	6.131	6.552	409	3.361	3.770
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(2)</b>	<b>1.590.479</b>	<b>-</b>	<b>1.590.479</b>	<b>1.383.876</b>	<b>-</b>	<b>1.383.876</b>
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		1.590.479	-	1.590.479	1.383.876	-	1.383.876
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(4)</b>	<b>19.138.934</b>	<b>7.461.469</b>	<b>26.600.403</b>	<b>12.455.502</b>	<b>5.897.387</b>	<b>18.352.889</b>
1.3.1 Government Debt Securities		18.620.580	6.274.360	24.894.940	11.611.019	5.005.611	16.616.630
1.3.2 Equity Instruments		205.991	1.187.109	1.393.100	198.090	891.776	1.089.866
1.3.3 Other Financial Assets		312.363	-	312.363	646.393	-	646.393
<b>1.4 Derivative Financial Assets</b>	<b>(2)</b>	<b>870.281</b>	<b>961.016</b>	<b>1.831.297</b>	<b>695.956</b>	<b>2.361.483</b>	<b>3.057.439</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		870.281	961.016	1.831.297	695.956	2.361.483	3.057.439
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>20.476.916</b>	<b>215.440.031</b>	<b>235.916.947</b>	<b>20.799.277</b>	<b>161.790.627</b>	<b>182.589.904</b>
<b>2.1 Loans</b>	<b>(5)</b>	<b>13.240.412</b>	<b>203.574.877</b>	<b>216.815.289</b>	<b>14.383.721</b>	<b>151.616.350</b>	<b>166.000.071</b>
<b>2.2 Lease Receivables</b>	<b>(10)</b>	<b>-</b>	<b>1.069.288</b>	<b>1.069.288</b>	<b>-</b>	<b>417.553</b>	<b>417.553</b>
<b>2.3 Factoring Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	<b>(6)</b>	<b>9.115.180</b>	<b>16.815.535</b>	<b>25.930.715</b>	<b>9.949.963</b>	<b>14.269.752</b>	<b>24.219.715</b>
2.4.1 Government Debt Securities		9.115.180	16.815.535	25.930.715	9.949.963	14.269.752	24.219.715
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Losses (-)</b>		<b>1.878.676</b>	<b>6.019.669</b>	<b>7.898.345</b>	<b>3.534.407</b>	<b>4.513.028</b>	<b>8.047.435</b>
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>11.734.753</b>	<b>-</b>	<b>11.734.753</b>	<b>9.420.766</b>	<b>-</b>	<b>9.420.766</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(7)</b>	<b>5.192.002</b>	<b>-</b>	<b>5.192.002</b>	<b>4.201.492</b>	<b>-</b>	<b>4.201.492</b>
4.1.1 Accounted Under Equity Method		5.192.002	-	5.192.002	4.201.492	-	4.201.492
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	<b>(8)</b>	<b>6.542.751</b>	<b>-</b>	<b>6.542.751</b>	<b>5.219.274</b>	<b>-</b>	<b>5.219.274</b>
4.2.1 Unconsolidated Financial Subsidiaries		6.387.399	-	6.387.399	5.085.830	-	5.085.830
4.2.2 Unconsolidated Non-Financial Subsidiaries		155.352	-	155.352	133.444	-	133.444
<b>4.3 Entities under Common Control (Joint Venture) (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	<b>(12)</b>	<b>612.316</b>	<b>-</b>	<b>612.316</b>	<b>572.644</b>	<b>-</b>	<b>572.644</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(13)</b>	<b>18.498</b>	<b>-</b>	<b>18.498</b>	<b>5.985</b>	<b>-</b>	<b>5.985</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		18.498	-	18.498	5.985	-	5.985
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(15)</b>	<b>904.701</b>	<b>-</b>	<b>904.701</b>	<b>265.107</b>	<b>-</b>	<b>265.107</b>
<b>X. OTHER ASSETS (Net)</b>	<b>(17)</b>	<b>2.686.345</b>	<b>152.357</b>	<b>2.838.702</b>	<b>3.009.859</b>	<b>125.480</b>	<b>3.135.339</b>
<b>TOTAL ASSETS</b>		<b>70.276.883</b>	<b>235.202.693</b>	<b>305.479.576</b>	<b>50.536.232</b>	<b>180.724.125</b>	<b>231.260.357</b>

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Current Period 30 September 2025			Prior Period 31 December 2024			
		Section 5						
LIABILITIES AND EQUITY		Note II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	-	-	-	-	-	-
II.	FUNDS BORROWED	(3)	2,516.948	165,626.296	168,143.244	19,000	123,981.589	124,000.589
III.	MONEY MARKET BALANCES		10,805.075	4,918.525	15,723.600	1,961.247	1,319.277	3,280.524
IV.	MARKETABLE SECURITIES ISSUED (Net)	(3)	-	58,824.568	58,824.568	-	51,561.928	51,561.928
4.1	Bills		-	-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	58,824.568	58,824.568	-	51,561.928	51,561.928
V.	BORROWER FUNDS		124.375	539.472	663.847	30.945	652.954	683.899
5.1	Borrower Funds		124.375	539.472	663.847	30.945	652.954	683.899
5.2	Other		-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS								
VI.	LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(2)	215.584	1,419.347	1,634.931	160.787	1,137.479	1,298.266
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		215.584	1,419.347	1,634.931	160.787	1,137.479	1,298.266
	Derivative Financial Liabilities at Fair Value Through Other Comprehensive							
7.2	Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES	(5)	209.113	-	209.113	247.755	-	247.755
X.	PROVISIONS	(7)	1,830.113	163.662	1,993.775	2,285.225	84.762	2,369.987
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		149.291	-	149.291	102.417	-	102.417
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		1,680.822	163.662	1,844.484	2,182.808	84.762	2,267.570
XI.	CURRENT TAX LIABILITY	(8)	784.728	-	784.728	368.765	-	368.765
XII.	DEFERRED TAX LIABILITY	(8)	-	-	-	-	-	-
LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)								
XIII.			-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	(10)	-	12,428.661	12,428.661	-	10,800.864	10,800.864
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	12,428.661	12,428.661	-	10,800.864	10,800.864
XV.	OTHER LIABILITIES		680.867	1,686.775	2,367.642	573.985	3,595.006	4,168.991
XVI.	SHAREHOLDERS' EQUITY		42,259.917	445.550	42,705.467	32,281.656	197.133	32,478.789
16.1	Paid-in capital	(11)	2,800.000	-	2,800.000	2,800.000	-	2,800.000
16.2	Capital Reserves		24.573	-	24.573	14.658	-	14.658
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		24.573	-	24.573	14.658	-	14.658
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		4,463.351	339.206	4,802.557	3,896.451	230.008	4,126.459
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		508.115	106.344	614.459	381.972	(32.875)	349.097
16.5	Profit Reserves		25,178.660	-	25,178.660	15,053.976	-	15,053.976
16.5.1	Legal Reserves		645.497	-	645.497	645.497	-	645.497
16.5.2	Status Reserves		75.641	-	75.641	75.641	-	75.641
16.5.3	Extraordinary Reserves		24,454.602	-	24,454.602	14,329.918	-	14,329.918
16.5.4	Other Profit Reserves		2,920	-	2,920	2,920	-	2,920
16.6	Profit Or Loss		9,285.218	-	9,285.218	10,134.599	-	10,134.599
16.6.1	Prior Years' Profit/Loss		-	-	-	-	-	-
16.6.2	Current Year Profit/Loss		9,285.218	-	9,285.218	10,134.599	-	10,134.599
TOTAL LIABILITIES AND EQUITY			59,426.720	246,052.856	305,479.576	37,929.365	193,330.992	231,260.357

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Current Period 30 September 2025			Prior Period 31 December 2024		
Section 5		Note III					
OFF BALANCE SHEET		TL	FC	Total	TL	FC	Total
<b>OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES</b>							
<b>A. (I+II+III)</b>		<b>26.360.112</b>	<b>292.208.506</b>	<b>318.568.618</b>	<b>23.449.505</b>	<b>195.016.999</b>	<b>218.466.504</b>
<b>I. GUARANTEES AND COLLATERALS</b>	<b>(1)</b>	<b>3.501.886</b>	<b>30.505.789</b>	<b>34.007.675</b>	<b>3.350.423</b>	<b>18.244.917</b>	<b>21.595.340</b>
1.1 Letters of Guarantee		2.522.435	13.240.595	15.763.030	2.818.372	5.808.518	8.626.890
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		2.522.435	13.240.595	15.763.030	2.818.372	5.808.518	8.626.890
1.2 Bank Acceptances		-	530.838	530.838	-	131.339	131.339
1.2.1 Import Letter of Acceptance		-	530.838	530.838	-	131.339	131.339
1.2.2 Other Bank Acceptance		-	-	-	-	-	-
1.3 Letters of Credit		979.451	16.734.356	17.713.807	532.051	12.305.060	12.837.111
1.3.1 Documentary Letters of Credit		979.451	16.734.356	17.713.807	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		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>(1)</b>	<b>3.526.485</b>	<b>20.371.693</b>	<b>23.898.178</b>	<b>2.806.010</b>	<b>8.648.292</b>	<b>11.454.302</b>
2.1 Irrevocable Commitments		1.235.813	2.707.895	3.943.708	1.218.654	640.755	1.859.409
2.1.1 Forward Asset Purchase and Sale Commitments		464.987	2.498.081	2.963.068	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	156.112	356.112	-	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		570.826	53.702	624.528	828.927	39.897	868.824
2.2 Revocable Commitments		2.290.672	17.663.798	19.954.470	1.587.356	8.007.537	9.594.893
2.2.1 Revocable Loan Granting Commitments		2.290.672	17.663.798	19.954.470	1.587.356	8.007.537	9.594.893
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(2)</b>	<b>19.331.741</b>	<b>241.331.024</b>	<b>260.662.765</b>	<b>17.293.072</b>	<b>168.123.790</b>	<b>185.416.862</b>
3.1 Derivative Financial Instruments for Hedging Purposes		-	86.716.045	86.716.045	-	69.298.701	69.298.701
3.1.1 Fair Value Hedge		-	86.716.045	86.716.045	-	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		19.331.741	154.614.979	173.946.720	17.293.072	98.825.089	116.118.161
3.2.1 Forward Foreign Currency Buy/Sell Transactions		4.352.953	16.588.850	20.941.803	386.659	524.487	911.146
3.2.1.1 Forward Foreign Currency Transactions-Buy		2.188.257	8.296.813	10.485.070	268.295	183.357	451.652
3.2.1.2 Forward Foreign Currency Transactions-Sell		2.164.696	8.292.037	10.456.733	118.364	341.130	459.494
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rate		13.542.891	136.167.102	149.709.993	16.906.413	98.261.432	115.167.845
3.2.2.1 Foreign Currency Swap-Buy		989	48.725.463	48.726.452	853.917	28.963.582	29.817.499
3.2.2.2 Foreign Currency Swap-Sell		9.382.302	39.058.491	48.440.793	11.767.384	17.124.992	28.892.376
3.2.2.3 Interest Rate Swap-Buy		2.079.800	24.191.574	26.271.374	2.142.556	26.086.429	28.228.985
3.2.2.4 Interest Rate Swap-Sell		2.079.800	24.191.574	26.271.374	2.142.556	26.086.429	28.228.985
3.2.3 Foreign Currency, Interest Rate, and Securities Options		1.435.897	1.859.027	3.294.924	-	39.170	39.170
3.2.3.1 Foreign Currency Options-Buy		1.072.311	598.860	1.671.171	-	19.585	19.585
3.2.3.2 Foreign Currency Options-Sell		363.586	1.260.167	1.623.753	-	19.585	19.585
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>B. CUSTODY AND PLEDGES SECURITIES (IV+V+VI)</b>		<b>552.427.267</b>	<b>3.769.593.278</b>	<b>4.322.020.545</b>	<b>445.422.551</b>	<b>2.800.962.189</b>	<b>3.246.384.740</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>6.491.704</b>	<b>6.416.495</b>	<b>12.908.199</b>	<b>720.297</b>	<b>2.736.125</b>	<b>3.456.422</b>
4.1 Customers' Securities Held		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		10.064	6.416.495	6.426.559	36.048	2.736.125	2.772.173
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		6.481.640	-	6.481.640	684.249	-	684.249
<b>V. PLEDGES ITEMS</b>		<b>529.144.006</b>	<b>3.030.944.411</b>	<b>3.560.088.417</b>	<b>429.581.976</b>	<b>2.269.143.066</b>	<b>2.698.725.042</b>
5.1 Marketable Securities		456.249	-	456.249	456.249	-	456.249
5.2 Guarantee Notes		15.547	2.542.706	2.558.253	194.627	2.370.696	2.565.323
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Real Estate		119.886.760	797.173.298	917.060.058	118.446.897	631.496.822	749.943.719
5.6 Other Pledged Items		408.785.450	2.231.228.407	2.640.013.857	310.484.203	1.635.275.548	1.945.759.751
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL OF EXCHANGE AND COLLATERALS</b>		<b>16.791.557</b>	<b>732.232.372</b>	<b>749.023.929</b>	<b>15.120.278</b>	<b>529.082.998</b>	<b>544.203.276</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>578.787.379</b>	<b>4.061.801.784</b>	<b>4.640.589.163</b>	<b>468.872.056</b>	<b>2.995.979.188</b>	<b>3.464.851.244</b>

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**INCOME FOR THE NINE-MONTH PERIOD THEN ENDED SEPTEMBER 30,2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

STATEMENT OF PROFIT OR LOSS		Current Period 1 January 2025 – 30 September 2025	Prior Period 1 January 2024 – 30 September 2024	Current Period 1 July 2025 – 30 September 2025	Prior Period 1 July 2024 – 30 September 2024
	Note				
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>25.529.935</b>	<b>21.269.805</b>	<b>9.179.803</b>	<b>7.437.641</b>
1.1 Interest on Loans		15.463.989	12.486.767	5.099.296	4.507.941
1.2 Interest Received from Reserve Deposits		258	689	139	359
1.3 Interest Received from Banks		66.481	48.460	28.663	15.338
1.4 Interest Received from Money Market Placements		1.927.901	2.815.036	1.173.649	534.820
1.5 Interest Received from Marketable Securities Portfolio		7.838.288	5.784.416	2.761.527	2.315.363
1.5.1 Fair Value through Profit or Loss		2	4.333	2	1.364
1.5.2 Fair Value through other Comprehensive Income		4.779.351	2.177.204	1.784.236	961.430
1.5.3 Measured at Amortized Cost		3.058.935	3.602.879	977.289	1.352.569
1.6 Finance Lease Interest Income		30.642	39.903	15.206	15.563
1.7 Other Interest Income		202.376	94.534	101.323	48.257
<b>II. INTEREST EXPENSES (-)</b>	<b>(2)</b>	<b>13.564.970</b>	<b>10.173.008</b>	<b>4.690.035</b>	<b>3.839.409</b>
2.1 Interest on Deposits		-	-	-	-
2.2 Interest on Funds Borrowed		6.827.842	6.036.788	2.363.219	2.131.570
2.3 Interest on Money Market Borrowings		3.029.965	1.469.909	875.677	723.862
2.4 Interest on Securities Issued		3.619.002	2.540.061	1.421.772	948.846
2.5 Leasing Interest Expense		44.511	49.202	13.898	11.271
2.6 Other Interest Expense		43.650	77.048	15.469	23.860
<b>III. NET INTEREST INCOME (I - II)</b>		<b>11.964.965</b>	<b>11.096.797</b>	<b>4.489.768</b>	<b>3.598.232</b>
<b>IV. NET FEES AND COMMISSIONS INCOME /EXPENSES</b>		<b>301.975</b>	<b>412.602</b>	<b>140.005</b>	<b>118.473</b>
4.1 Fees and Commissions Received		358.642	453.637	160.754	135.415
4.1.1 Non-cash Loans		198.526	144.075	87.580	49.791
4.1.2 Other		160.116	309.562	73.174	85.624
4.2 Fees and Commissions Paid (-)		56.667	41.035	20.749	16.942
4.2.1 Non-cash Loans		4.157	5.169	1.387	1.727
4.2.2 Other		52.510	35.866	19.362	15.215
<b>V. DIVIDEND INCOME</b>	<b>(3)</b>	<b>9.647</b>	<b>6.863</b>	<b>-</b>	<b>5.269</b>
<b>VI. NET TRADING INCOME</b>	<b>(4)</b>	<b>(387.443)</b>	<b>(1.720.815)</b>	<b>(513.590)</b>	<b>(218.911)</b>
6.1 Securities Trading Gains / (Losses)		249.525	67.523	13.285	19.208
6.2 Derivative Financial Instruments Gains / Losses		(8.543.332)	(1.919.858)	(2.636.102)	(1.983.517)
6.3 Foreign Exchange Gains / Losses (Net)		7.906.364	131.520	2.109.227	1.745.398
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>2.568.681</b>	<b>544.231</b>	<b>386.266</b>	<b>371.220</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>14.457.825</b>	<b>10.339.678</b>	<b>4.502.449</b>	<b>3.874.283</b>
<b>IX. EXPECTED CREDIT LOSSES (-)</b>	<b>(6)</b>	<b>1.761.674</b>	<b>645.660</b>	<b>565.985</b>	<b>(52.088)</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(6)</b>	<b>70.000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>1.795.937</b>	<b>1.051.746</b>	<b>608.673</b>	<b>378.630</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>593.849</b>	<b>463.292</b>	<b>199.258</b>	<b>162.578</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>10.236.365</b>	<b>8.178.980</b>	<b>3.128.533</b>	<b>3.385.163</b>
<b>XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. PROFIT / (LOSS) ON EQUITY METHOD</b>		<b>1.841.522</b>	<b>1.262.948</b>	<b>512.557</b>	<b>226.375</b>
<b>XVI. GAIN / (LOSS) ON NET MONETARY POSITION PROFIT/(LOSS) FROM CONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. BEFORE TAXES (XIII+...+XVI)</b>		<b>12.077.887</b>	<b>9.441.928</b>	<b>3.641.090</b>	<b>3.611.538</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(8)</b>	<b>2.792.669</b>	<b>2.406.414</b>	<b>830.899</b>	<b>978.976</b>
18.1 Provision for Current Income Taxes		3.448.424	2.088.605	709.274	885.238
18.2 Deferred Tax Income Effect (+)		1.716.815	1.370.160	531.899	398.183
18.3 Deferred Tax Expense Effect (-)		-	-	-	-
<b>XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(9)</b>	<b>9.285.218</b>	<b>7.035.514</b>	<b>2.810.191</b>	<b>2.632.562</b>
<b>XX. INCOME ON DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XXI. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XXII. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
23.1 Provision for Current Income Taxes		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXV. NET PROFIT/LOSS (XIX+XXIV)</b>	<b>(10)</b>	<b>9.285.218</b>	<b>7.035.514</b>	<b>2.810.191</b>	<b>2.632.562</b>
Earnings / (loss) per share		3,316	2,513	1,004	0,940

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR NINE-MONTH INTERIM PERIOD THEN ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Current Period 1 January 2025 – 30 September 2025	Prior Period 1 January 2024 – 30 September 2024
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
<b>I.</b>	<b>CURRENT PERIOD INCOME / LOSS</b>	<b>9.285.218</b>	<b>7.035.514</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>941.460</b>	<b>769.501</b>
<b>2.1</b>	<b>Not Reclassified Through Profit or Loss</b>	<b>676.098</b>	<b>586.346</b>
2.1.1	Property and Equipment Revaluation Increase / Decrease	38.862	-
2.1.2	Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain / Loss	(3.505)	(53.293)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	642.142	618.375
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(1.401)	21.264
<b>2.2</b>	<b>Reclassified Through Profit or Loss</b>	<b>265.362</b>	<b>183.155</b>
2.2.1	Foreign Currency Translation Differences	230.925	99.016
2.2.2	Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	49.197	122.651
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	(14.760)	(38.512)
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>10.226.678</b>	<b>7.805.015</b>

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH INTERIM PERIOD THEN ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

						Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss		Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss										
CHANGES IN SHAREHOLDERS' EQUITY		Note	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
Prior Period – 30 September 2024																		
I.	Opening Balance		2.800.000	-	-	14.658	250.566	3.720	3.031.209	385.534	(127.993)	-	8.012.499	7.041.477	-	21.411.670	-	21.411.670
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2.800.000	-	-	14.658	250.566	3.720	3.031.209	385.534	(127.993)	-	8.012.499	7.041.477	-	21.411.670	-	21.411.670
IV.	Total Comprehensive Income		-	-	-	-	5.276	(37.305)	618.375	99.016	84.139	-	-	-	7.035.514	7.805.015	-	7.805.015
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		-	-	-	-	-	-	-	-	-	-	7.041.477	(7.041.477)	-	-	-	-
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.044.477	(6.044.477)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
Period-End Balance (III+IV+.....+X+XI)			2.800.000	-	-	14.658	255.842	(33.585)	3.649.584	484.550	(43.854)	-	15.053.976	-	7.035.514	29.216.685	-	29.216.685

1.Accumulated Revaluation Increase / Decrease of Fixed Assets

2.Accumulated Remeasurement Gain / Loss of Defined Benefit Pension Plan

3.Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4.Foreign Currency Translation Differences

5.Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income

6.Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH INTERIM PERIOD THEN ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

						Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss										
CHANGES IN SHAREHOLDERS' EQUITY			Note	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
Current Period – 30 September 2025																			
I.	Opening Balance		2.800.000	-	-		14.658	322.030	(29.959)	3.834.388	458.207	(109.110)	-	15.053.976	10.134.599	-	32.478.789	-	32.478.789
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2.800.000	-	-		14.658	322.030	(29.959)	3.834.388	458.207	(109.110)	-	15.053.976	10.134.599	-	32.478.789	-	32.478.789
IV.	Total Comprehensive Income		-	-	-	-	-	36.409	(2.453)	642.142	230.925	34.437	-	-	-	9.285.218	10.226.678	-	10.226.678
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	-	-	-	-	-	-	10.124.684	(10.134.599)	-	-	-	-
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	8.824.684	(8.824.684)	-	-	-	-
11.3	Other		-	-	-	-	9.915	-	-	-	-	-	-	1.300.000	(1.309.915)	-	-	-	-
Period-End Balance (III+IV+.....+X+XI)			2.800.000	-	-		24.573	358.439	(32.412)	4.476.530	689.132	(74.673)	-	25.178.660	-	9.285.218	42.705.467	-	42.705.467

1. Accumulated Revaluation Increase / Decrease of Fixed Assets

2. Accumulated Remeasurement Gain / Loss of Defined Benefit Pension Plan

Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4.Foreign Currency Translation Differences

5.Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income

6.Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH INTERIM PERIOD THEN ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

	Note	Current Period 30 September 2025	Prior Period 30 September 2024
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>		<b>1.803.247</b>	<b>4.718.873</b>
1.1.1 Interest Received		20.563.533	17.303.253
1.1.2 Interest Paid		(11.163.215)	(9.616.081)
1.1.3 Dividends Received		63.592	41.019
1.1.4 Fees and Commissions Received		358.642	453.637
1.1.5 Other Income		1.159.849	249.626
1.1.6 Collections from Previously Written off Loans		1.787.885	274.791
1.1.7 Payments to Personnel and Service Suppliers		(2.078.396)	(1.131.346)
1.1.8 Taxes Paid		(3.741.478)	(1.493.666)
1.1.9 Others		(5.147.165)	(1.362.360)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>11.142.334</b>	<b>(10.685.559)</b>
1.2.1 Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		27.143	(64.500)
1.2.2 Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3 Net (Increase) (Decrease) in Loans		(9.662.725)	(15.463.824)
1.2.4 Net (Increase) (Decrease) in Other Assets		(2.527.261)	(1.591.481)
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		11.873.366	(788.603)
1.2.9 Net (Increase) (Decrease) in Matured Payable		-	-
1.2,10 Net (Increase) (Decrease) in Other Liabilities		11.431.811	7.222.849
<b>I. Net Cash Provided by / (used in) Banking Operations</b>		<b>12.945.581</b>	<b>(5.966.686)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided by / (used in) Investing Activities</b>		<b>(4.342.759)</b>	<b>(7.778.668)</b>
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		(53.145)	(7.334)
2.4 Disposals of Property and Equipment		13.977	569
2.5 Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(6.818.492)	(6.344.643)
2.6 Sale of Financial Assets at Fair Value through Other Comprehensive Income		858.525	1.398.041
2.7 Purchase of Financial Assets Measured at Amortized Cost		(33.357)	(3.149.976)
2.8 Sale of Financial Assets Measured at Amortized Cost		1.709.071	324.675
2.9 Others		(19.338)	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided by / (used in) Financing Activities</b>		<b>(932.322)</b>	<b>5.791.984</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		14.838.951	14.931.602
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(15.602.998)	(9.042.057)
3.3 Capital Increase		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Leases		(168.275)	(97.561)
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>458.551</b>	<b>155.826</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>8.129.051</b>	<b>(7.797.544)</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>		<b>9.551.313</b>	<b>12.104.573</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>		<b>17.680.364</b>	<b>4.307.029</b>

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



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

*(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)*

**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Basis of presentation**

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

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

The unconsolidated financial statements and related explanations and footnotes included in this report have been prepared in accordance with the Regulation on the Procedures and Principles Regarding Banks' Accounting Applications and Document Retention and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency (BRSA) regarding the accounting and financial reporting principles of banks and the provisions of the Turkish Accounting Standard 34 ("TMS 34") Interim Financial Reporting standard and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for matters not regulated by these (hereinafter collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). However, the TAS 29 "Financial Reporting in Hyperinflationary Economies" standard included in the TFRS is not applied to banks and financial leasing, factoring, financing, savings, financing and asset management companies as explained below.

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

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

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

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 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 December 31, 2023, in accordance with the accounting principles specified in TAS 29. In the same statement, it was mentioned that institutions or organizations authorized to regulate and supervise their respective fields could set different transition dates for the implementation of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BRSA), with its decision numbered 10744 dated December 12, 2023, decided not to subject the financial statements of banks, as well as financial leasing, factoring, finance, savings finance, and asset management companies dated December 31, 2023, to the inflation adjustment required under TAS 29. According to the BRSA's decision numbered 10825 dated January 11, 2024, it was decided that banks, along with financial leasing, factoring, finance, savings finance, and asset management companies, would transition to inflation accounting as of January 1, 2025. However, it was later announced that the BRSA, with its decision numbered 11021 dated December 5, 2024, decided not to implement inflation accounting in 2025. Accordingly, the Bank did not apply TAS 29 inflation accounting in its financial statements for the period ending September 30, 2025.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**I. Basis of presentation (Continued)**

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

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

As it is intended to update the financial information contained in the latest annual financial statements in the interim financial statements prepared as of September 30, 2025, the Bank made estimates in the calculation of expected credit losses and disclosed these in footnote VIII "Disclosures on impairment of financial assets". In the coming periods, the Bank will update its relevant assumptions according to necessary extents and review the realizations of past estimates.

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

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

**Changes in accounting policies and disclosures**

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

**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 March 31, 2025 and the differences between accounting principles have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash 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 Bank have variable interest rates. The financial balances are monitored frequently, and fixed and floating interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

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

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

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

In the beginning and later period of the hedging transaction, the 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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

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

The Bank performs effectiveness test at the beginning of the hedge accounting and at each reporting period. The effectiveness tests are carried out using the “Dollar off-set model” and the hedge accounting is applied 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.

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

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**III. Explanations on forward and option contracts and derivative instruments**

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions.

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

**IV. Explanations on associates and subsidiaries**

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**V. Explanations on interest income and expenses**

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

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 recognized in the income statement for all interest-bearing instruments on an accrual basis using the effective interest method (the rate that equalizes the future cash flows of financial assets and liabilities to the current net book value).

**VI. Explanations on fees and commission income and expenses**

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

**VII. Explanations on financial assets**

**Initial recognition of financial instruments**

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

**Initial measurement of financial instruments**

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in financial assets 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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THEREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**VII. Explanations on financial assets (Continued)**

**Assessment of business model**

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

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

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

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**VII. Explanations on financial assets (continued)**

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

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

**Measurement categories of financial assets and liabilities**

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

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**VII. Explanations on financial assets (Continued)**

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

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

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After 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 an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

**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.



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**VII. Explanations on financial assets (Continued)**

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

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.

These securities are valued and accounted according to the effective interest method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The impact arising from this practice has been accounted for under 'Interest Income from Securities' in the financial statements.

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 Bank also determines the estimated inflation rate in parallel with this approach. The estimated inflation rate, which is determined by considering the expectations of the Central Bank of Turkey and the Bank, is updated during the year when 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 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.

**VIII. Explanations on impairment of financial assets**

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**VIII. Explanations on impairment of financial assets (Continued)**

**Calculation of expected credit losses**

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

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 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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**VIII. 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 considered as 100%.

The default assessment of the 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 Bank and its consolidated financial subsidiaries is based on a more than 90 days past due definition.

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

**Debt instruments measured at fair value through other comprehensive income**

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**VIII. Explanations on impairment of financial assets (continued)**

**Calculation of expected credit losses (continued)**

**Significant increase in credit risk**

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

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

Within the scope of quantitative assessment, the quantitative reason explaining the significant increase in the credit risk is based on a comparison of the probability of default calculated at the origination of the loan and the probability of default assigned for the same loan as of the reporting date. If there is a significant deterioration in PD, it is considered that there is a significant increase in credit risk and the financial asset is classified as stage 2. In this context, the Bank has calculated thresholds at which point the relative change is a significant deterioration. When determining the significant increase in bank credit risk, The 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.

The Bank classifies the financial asset as Stage 2 (Significant Increase in Credit Risk) where any of the following conditions are satisfied as a result of a qualitative assessment:

- Loans overdue more than 30 days as of the reporting date
- Loans classified as watchlist
- When there is a change in the payment plan due to restructuring

In the future expectations, 3 scenarios are used to be as base, bad and good. Final provisions are calculated by weighing on the possibilities given to the scenarios. Also, for possible effects the Bank has established additional provisions for the sector and customers, which are considered to have a high impact on the expected credit loss calculations by making individual assessment for the risks that cannot be captured through the models.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**IX. Explanations on offsetting, derecognition and restructuring of financial instruments**

**a. Offsetting of financial instruments**

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

**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 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 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 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 Bank's reclassification details of financial assets are presented in Section Three, Note VII.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**IX. Explanations on offsetting, derecognition and restructuring of financial instruments (continued)**

**d. Restructuring and refinancing of financial instruments**

The 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 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 bank 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.

Restuctured 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 thorough review of company's financial data and its owners' equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time (starting from the date when the debt is restructured all due principal and interest payments are made on time).
- At least 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 in accordance with the relevant regulations:

- 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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

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

Funds provided under repurchase agreements are accounted under “Funds Provided under Repurchase Agreements-TL” and “Funds Provided under Repurchase Agreements-FC” accounts. The repurchase agreements of the Bank 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 other comprehensive income or assets at measured at amortized costs with parallel to classifications of financial instruments.

The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement. Receivables from reverse repurchase agreements are recorded in “Receivables from Reverse Repurchase Agreements” account in the balance sheet.

**XI. Explanations on assets held for sale and discontinued operations**

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XII. Explanations on goodwill and other intangible assets**

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

Intangible assets that are acquired prior to January 1, 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.

**XIII. 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 expenditures are recognized as expense.

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



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XIII. Explanations on tangible assets (continued)**

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

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

**XIV. Explanations on leasing transactions**

**TFRS 16 Leases**

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease.

Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same. The Bank has started to apply “TFRS 16 Leases” Standard starting from 1 January 2019.

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

***Right-of-use assets***

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

The cost of right-of-use assets includes:

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XIV. Explanations on leasing transactions (continued)**

*Lease Liabilities*

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

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

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

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

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XIV. Explanations on leasing transactions (continued)**

***Short-term leases and leases of low-value assets***

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

**XV. Explanations on provisions and contingent liabilities**

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If aforesaid criteria did not form, the Bank discloses the issues mentioned in notes to financial statements. Provisions are determined by using the 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 Bank. Since recognition of the contingent assets in the financial statements would result in the accounting of an income, which may never be generated, the related assets are not included in the financial statements; on the other hand, if the inflow of the economic benefits of these assets to the Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Bank is almost certain, the related asset and the respective income are recognized in the financial statements of the period in which the change occurred.

**XVI. Explanations on liabilities regarding employee benefits**

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

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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVI. Explanations on liabilities regarding employee benefits (Continued)**

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

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

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

According to the provisional Article 20 of 73rd article of Law No. 5754 dated April 17, 2008, has become effective on May 8, 2008 and was published in the Official Gazette No: 26870, transfer of Pension Funds to Social Security Institution in three years has been anticipated. With the amendment in the first paragraph of the temporary article 20 of the Social Security and General Health Insurance Law No. 5510 published in the Official Gazette dated March 8.2012 and numbered 28227, the 2-year postponement authority given to the Council of Ministers was increased to 4 years. It has been resolved that the transfer process has been extended two years with Council of Ministers' Decree, has become effective on April 9, 2011 and was published in the Official Gazette No: 27900. The transfer had to be completed until May 8, 2013. Accordingly, it has been resolved that, one more year extension with Council of Ministers Decree No: 2013/467, has become effective on May 3, 2013 and was published in the Official Gazette No: 28636 and transfer needs to be completed until May 8, 2014. However, it has been decided to extend the time related to transfer by the decision of Council of Minister published in the Official Gazette No. 28987 dated April 30, 2014 for one more year due to not realizing the transfer process.

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVI. 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. Unmet social benefits and payments of the pension fund participants and other employees that receive monthly income although they are within the scope of the related settlement deeds would be met by pension funds and the institutions employ these participants after the transfer of pension funds to the Social Security Institution.

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

**XVII. Explanations on taxation**

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

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

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

In the financial statements dated September 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, and the corporate tax exemption rate to be applied to the profits obtained from the sales of real estates included in the assets of the enterprises before 15 July 2023 will be applied as 25%.

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

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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation (Continued)**

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

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated 2 August 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 by the OECD.

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 16 July 2024. These regulations entered into force with the laws published in the Official Gazette on 2 August 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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation (Continued)**

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

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

According to 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 considered as an expense in the determination of the corporate tax base in the year they are allocated pursuant to the second paragraph of the same article.

***Transfer pricing***

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVIII. Additional explanations on borrowings**

The Bank borrows funds from domestic and foreign institutions borrowing from the 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 Bank and resources used with fixed interest rates are subject to fair value hedge accounting. While the credit risk and rediscounted accumulated interest on hedging liabilities are recorded in the income statement under the interest expense, the credit risk and net amount excluding accumulated interest results from hedge accounting are accounted in the income statement under the derivative financial instruments gains/losses by fair value.

**XIX. Explanations on share certificates issued**

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 24, 2025, net profit for 2024 was allocated as a legal reserve, TL 1.300.000 was allocated to a special fund for the purpose of receiving venture capital investment funds, The retention of the subsidiary sale profit of TL 9.915 realized in 2024 in a special account under equity and the remaining portion was allocated as an extraordinary reserve fund.

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 28, 2024 in the previous period, It was approved that 5% of the net profit for the year 2023 be allocated as legal services aside as legal reserve fund, TL 997.000 be set aside as a special fund for the purpose of purchasing venture capital investment funds and the remaining portion be set aside as extraordinary reserve fund.

**XX. Explanations on acceptances**

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

**XXI. Explanations on government incentives**

The Bank does not use government incentives.



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XXII. Explanations on segment reporting**

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

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

<b>Current Period</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total</b>
Net Interest Income	4.807.629	7.157.336	-	11.964.965
Net Fees and Commission Income	201.306	107.529	(6.860)	301.975
Other Income	1.645.334	-	2.774.516	4.419.850
Other Expense	(2.061.493)	(710.622)	(1.836.788)	(4.608.903)
Profit Before Tax	4.592.776	6.554.243	930.868	12.077.887
Tax Provision				(2.792.669)
<b>Net Profit</b>				<b>9.285.218</b>
<b>Current Period</b>				
Segment Assets	210.058.762	77.716.816	5.969.245	293.744.823
Investment in Associates and Subsidiaries	-	-	11.734.753	11.734.753
<b>Total Assets</b>	<b>210.058.762</b>	<b>77.716.816</b>	<b>17.703.998</b>	<b>305.479.576</b>
Segment Liabilities	234.657.855	20.462.218	7.654.036	262.774.109
Shareholders' Equity	-	-	42.705.467	42.705.467
<b>Total Liabilities</b>	<b>234.657.855</b>	<b>20.462.218</b>	<b>50.359.503</b>	<b>305.479.576</b>

<b>Prior Period</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total</b>
Net Interest Income	4.243.854	6.852.943	-	11.096.797
Net Fees and Commission Income	145.255	266.480	867	412.602
Other Income	361.604	-	1.452.438	1.814.042
Other Expense	(861.735)	(1.892.217)	(1.127.561)	(3.881.513)
Profit Before Tax	3.888.978	5.227.206	325.744	9.441.928
Tax Provision				(2.406.414)
<b>Net Profit</b>				<b>7.035.514</b>
<b>Prior Period</b>				
Segment Assets	158.390.390	57.260.853	6.188.348	221.839.591
Investment in Associates and Subsidiaries	-	-	9.420.766	9.420.766
<b>Total Assets</b>	<b>158.390.390</b>	<b>57.260.853</b>	<b>15.609.114</b>	<b>231.260.357</b>
Segment Liabilities	186.363.381	3.280.524	9.137.663	198.781.568
Shareholders' Equity	-	-	32.478.789	32.478.789
<b>Total Liabilities</b>	<b>186.363.381</b>	<b>3.280.524</b>	<b>41.616.452</b>	<b>231.260.357</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT**

**I. Explanations related to shareholders' equity**

The capital adequacy standard ratio has been calculated in accordance with the Regulation on Equity of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Banks and the BRSA decision numbered 11038 dated December 19, 2024. Within the framework of the said board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of 28 June 2024, while the equity item has been calculated without taking into account the negative net valuation differences of the securities acquired on or before January 1, 2024 and included in the "Securities at Fair Value Through Other Comprehensive Income" portfolio. The Bank's capital adequacy standard ratio calculated as of September 30, 2025 is 25,19% (December 31, 2024: 26,86%).

	Current Period	Prior Period
<b>CORE EQUITY TIER 1 CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	-	-
Reserves	25.178.660	15.053.976
Other comprehensive income according to TAS	5.910.943	4.906.986
Profit	9.285.218	10.134.599
Current Period Profit	9.285.218	10.134.599
Prior Period Profit	-	-
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	-	-
<b>Core Equity Tier 1 Capital Before Deductions</b>	<b>43.175.195</b>	<b>32.895.935</b>
<b>Deductions from Core Equity Tier 1 Capital</b>		
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	337.739	264.041
Leasehold improvements on operational leases	6.777	5.563
Goodwill (net of related tax liability)	-	-
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	18.498	5.985
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations related to shareholders' equity (Continued)**

Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net amount of defined benefit plans	-	-
Investments in own common equity	-	-
Shares obtained against article 56, paragraph 4 of Banking Law	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank does not own 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I capital	1.090.835	1.112.437
Mortgage servicing rights not deducted	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I capital in cases where there are no adequate additional Tier I or Tier II capitals	-	-
<b>Total Regulatory Adjustments to Tier 1 Capital</b>	<b>1.453.849</b>	<b>1.388.026</b>
<b>Core Equity Tier I Capital</b>	<b>41.721.346</b>	<b>31.507.909</b>
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Core Equity and the Related Share Premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	12.399.510	10.519.950
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>12.399.510</b>	<b>10.519.950</b>
<b>Deductions from Additional Tier I Capital</b>		
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 1 capital	-	-
The total of net long position of the direct or indirect investments in additional Tier 1 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	-	-
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>		
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 (-)	-	-

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations related to shareholders' equity (continued)**

Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	<b>12.399.510</b>	<b>10.519.950</b>
<b>Total Tier I Capital (Tier I Capital=Core Equity Tier I Capital+Additional Tier I Capital)</b>	<b>54.120.856</b>	<b>42.027.859</b>
<b>TIER II CAPITAL</b>		
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)	2.517.666	1.837.994
<b>Tier II Capital Before Deductions</b>	<b>2.517.666</b>	<b>1.837.994</b>
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Common Equity Tier I capital (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>2.517.666</b>	<b>1.837.994</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>56.638.522</b>	<b>43.865.853</b>
<b>Deductions from Total Capital</b>		
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	-	-
<b>Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period</b>		
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	-	-

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations related to shareholders' equity (continued)**

<b>CAPITAL</b>		
Total Capital (Total of Tier I Capital and Tier II Capital)	56.638.522	43.865.853
Total Risk Weighted Assets	224.893.358	163.286.711
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	18,55	19,30
Tier I Capital Adequacy Ratio (%)	24,07	25,74
Capital Adequacy Ratio (%)	25,19	26,86
<b>BUFFERS</b>		
Total buffer requirement	2,506	2,509
a. Capital conservation buffer requirement (%)	2,500	2,500
b. Bank specific counter-cyclical buffer requirement (%)	0,006	0,009
c. Systematic significant buffer (%)	-	-
The ratio of Additional Core Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	14,05	14,80
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% or less of the issued share capital	4.281.218	3.262.035
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
<b>Limits Related to Provisions Considered in Tier II Calculation</b>		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	6.532.274	4.964.758
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.517.666	1.837.994
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4</b>		
<b>(to be implemented between 1 January 2018 and 1 January 2022)</b>		
Upper limit for Additional Tier I Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to Temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to Temporary Article 4	-	-

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations related to shareholders' equity (continued)**

**Information on debt instruments to be included in the equity calculation**

Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
	Regulation on Equity of Banks (Official Gazette Date: 05.09.2013 Official Gazette Number: 28756)
Governing law(s) of the instrument	Capital Markets Board Debt Instruments Communiqué VII-128.8 (Official Gazette Date: 07.06.2013 Official Gazette Number: 28670)
<b>Consideration in Equity Calculation</b>	
Subject to %10 deduction as of 1/1/2015	No
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	included in the additional Tier 1 capital calculation bond issue
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 Debt Instruments
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 a refund payment option for the first 5 years (after the 5th year) on 29 March 2029.
Subsequent call dates, if applicable	After the 5th year, the relevant option can be used. If not used after the 5th year, Available for every 5th Anniversary.
<b>Interest/dividend payments</b>	
Fixed or floating dividend/coupon	Fixed / semiannually coupon payment, principal payment at the maturity
Coupon rate and any related index	9,75%
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory	Partly optional.
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible or non-convertible</b>	
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
<b>Write-down feature</b>	
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.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**II. Explanations related to 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 considered 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:

	<b>1 US Dollar</b>	<b>1 Euro</b>
<b>The Bank's "Foreign Exchange Valuation Rate"</b>		
30 September 2025	41,3317	48,4821
<b><u>Prior Five Workdays:</u></b>		
29 September 2025	41,3226	48,4507
26 September 2025	41,2344	48,1494
25 September 2025	41,2198	48,4085
24 September 2025	41,1764	48,5882
23 September 2025	41,1534	48,5651

Simple arithmetic one-month averages of the US Dollar and Euro buying rates of the Bank before the reporting date are full TL 41,0676 and 48,1619 respectively.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**II. Explanations related to currency risk (continued)**

*Information on the Bank's foreign currency risk:*

Current Period	Euro	US Dollar	Other FC	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	156.721	5.425.218	-	5.581.939
Banks (8)	1.604.640	3.978.957	22.284	5.605.881
Financial Assets at Fair Value Through Profit or Loss (1)	295.925	306.775	-	602.700
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.425.765	4.035.704	-	7.461.469
Loans (2)	107.672.326	91.331.325	-	199.003.651
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost (3)	1.289.682	15.460.083	-	16.749.765
Derivative Financial Assets for Hedging Purposes (4)	-	424.064	-	424.064
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (5)	19.495	103.215	-	122.710
<b>Total Assets</b>	<b>114.464.554</b>	<b>121.065.341</b>	<b>22.284</b>	<b>235.552.179</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	373.830	4.544.695	-	4.918.525
Funds Provided from Other Financial Institutions	65.307.944	100.318.352	-	165.626.296
Marketable Securities Issued	-	71.253.229	-	71.253.229
Miscellaneous Payables	320.612	1.343.738	12.997	1.677.347
Derivative Financial Liabilities for Hedging Purposes (4)	-	73.289	-	73.289
Other Liabilities (6)	421.678	750.047	180	1.171.905
<b>Total Liabilities</b>	<b>66.424.064</b>	<b>178.283.350</b>	<b>13.177</b>	<b>244.720.591</b>
<b>Net Balance Sheet Position</b>	<b>48.040.490</b>	<b>(57.218.009)</b>	<b>9.107</b>	<b>(9.168.412)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(47.258.134)</b>	<b>55.793.493</b>	<b>(52)</b>	<b>8.535.307</b>
Financial Derivative Assets	8.575.755	62.720.879	249.870	71.546.504
Financial Derivative Liabilities	(55.833.889)	(6.927.386)	(249.922)	(63.011.197)
Non-Cash Loans (7)	16.341.079	14.086.126	78.584	30.505.789
<b>Prior Period</b>				
Total Assets	71.331.406	108.058.421	413.743	179.803.570
Total Liabilities	44.025.712	148.613.054	372.620	193.011.386
<b>Net Balance Sheet Position</b>	<b>27.305.694</b>	<b>(40.554.633)</b>	<b>41.123</b>	<b>(13.207.816)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(27.068.889)</b>	<b>39.686.533</b>	<b>(36.477)</b>	<b>12.581.167</b>
Financial Derivative Assets	1.633.323	42.504.987	861.540	44.999.850
Financial Derivative Liabilities	(28.702.212)	(2.818.454)	(898.017)	(32.418.683)
Non-Cash Loans (7)	4.666.145	13.578.772	-	18.244.917

(1) Exchange rate differences arising from derivative transactions amounting to TL 156.388 is deducted from "Financial Assets at Fair Value Through Profit and Loss".

(2) Loans include TL 319.804 foreign currency indexed loans, TL 1.069.288 financial lease receivables, TL 1.302 non-performing loans, and TL (1.302) credit-impaired losses (stage III / specific provision). TL (5.959.016)) 1. and 2. the stage includes the expected loss provision amounts (including foreign currency indexed loans).

(3) TL (65.770) 1st stage includes the amount of expected loss provision.

(4) Derivative financial assets for hedging purposes have classified in line of derivative financial assets in financial statement. Derivative financial liabilities for hedging purposes have classified in line of derivative financial liabilities in financial statement. TL (222.136) and TL 420.644 of foreign exchange difference accrual has been deducted from "Hedging Derivative Financial Assets".

(5) It does not include prepaid expenses in the amount of TL 29.075 and TL 572 1. the stage includes the amount of expected loss provision. TL (48) includes the amount of Stage 1 expected credit loss provision.

(6) Derivative financial transactions currency difference rebates amounting to TL 465.670 and foreign currency exchange commitments rebates amounting to TL 401 are not included in the "Other Liabilities" line.

(7) There is no effect on the net off-balance sheet position.

(8) TL (6.131) includes the amount 1st stage of expected loss provision.



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations related to interest rate risk**

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

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

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations related to interest rate risk (Continued)**

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1)(2)	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	5.582.894	5.582.894
Banks	4.716.873	-	-	-	-	911.623	5.628.496
Financial Assets at Fair Value Through Profit and Loss	1.075.264	203.893	231.016	313.958	7.165	1.590.480	3.421.776
Money Market Placements	9.620.438	2.606.204	-	-	-	-	12.226.642
Financial Assets at Fair Value Through Other Comprehensive Income	8.033.319	234.485	6.213.675	9.932.841	792.983	1.393.100	26.600.403
Loans	37.045.880	59.295.320	90.970.793	26.798.290	2.021.440	-	216.131.723
Financial Assets Measured at Amortized Cost	-	2.448.578	6.666.602	15.744.739	1.070.796	-	25.930.715
Other Assets	-	-	-	-	-	9.956.927	9.956.927
<b>Total Assets</b>	<b>60.491.774</b>	<b>64.788.480</b>	<b>104.082.086</b>	<b>52.789.828</b>	<b>3.892.384</b>	<b>19.435.024</b>	<b>305.479.576</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	11.663.860	530	4.059.210	-	-	-	15.723.600
Miscellaneous Payables	-	-	-	-	-	1.727.138	1.727.138
Marketable Securities Issued (3)	1.345.447	-	16.285.467	53.622.315	-	-	71.253.229
Funds Provided from Other Financial Institutions	42.161.167	45.169.365	72.091.279	7.854.070	867.363	-	168.143.244
Other Liabilities	951.603	325.040	329.368	238.033	-	46.788.321	48.632.365
<b>Total Liabilities</b>	<b>56.122.077</b>	<b>45.494.935</b>	<b>92.765.324</b>	<b>61.714.418</b>	<b>867.363</b>	<b>48.515.459</b>	<b>305.479.576</b>
<b>Balance Sheet Long Position</b>	<b>4.369.697</b>	<b>19.293.545</b>	<b>11.316.762</b>	<b>-</b>	<b>3.025.021</b>	<b>-</b>	<b>38.005.025</b>
<b>Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.924.590)</b>	<b>-</b>	<b>(29.080.435)</b>	<b>(38.005.025)</b>
Off-Balance Sheet Long Position	-	-	-	42.822.861	365.368	-	43.188.229
Off-Balance Sheet Short Position	(27.298.272)	(292.196)	(15.879.128)	-	-	-	(43.469.596)
<b>Total Position</b>	<b>(22.928.575)</b>	<b>19.001.349</b>	<b>(4.562.366)</b>	<b>33.898.271</b>	<b>3.390.389</b>	<b>(29.080.435)</b>	<b>(281.367)</b>

(1) Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other assets, other foreign resources 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 on the other assets, non-interest bearing.

(3) Includes issued capital securities classified under subordinated debt instruments in the balance sheet.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations related to interest rate risk (Continued)**

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1) (2)	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	7.345	-	-	-	-	2.873.080	2.880.425
Banks	6.314.635	-	-	-	-	1.361.227	7.675.862
Financial Assets at Fair Value Through Profit and Loss	2.028.347	291.731	416.746	320.616	-	1.383.875	4.441.315
Money Market Placements	598.282	486.627	838.982	-	-	-	1.923.891
Financial Assets at Fair Value Through Other Comprehensive Income	6.524.766	1.480.352	2.112.327	6.654.897	490.680	1.089.867	18.352.889
Loans	74.113.598	21.372.449	45.316.413	18.565.052	3.834.801	-	163.202.313
Financial Assets Measured at Amortized Cost	6.340.107	4.017.545	3.430.828	8.299.285	2.131.950	-	24.219.715
Other Assets	-	-	-	-	-	8.563.947	8.563.947
<b>Total Assets</b>	<b>95.927.080</b>	<b>27.648.704</b>	<b>52.115.296</b>	<b>33.839.850</b>	<b>6.457.431</b>	<b>15.271.996</b>	<b>231.260.357</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	3.280.103	421	-	-	-	-	3.280.524
Miscellaneous Payables	-	-	-	-	-	3.099.744	3.099.744
Marketable Securities Issued (3)	14.761.076	1.786.539	300.847	45.514.330	-	-	62.362.792
Funds Provided from Other Financial Institutions	69.836.225	16.486.753	29.468.828	7.475.505	733.278	-	124.000.589
Other Liabilities	674.558	93.156	555.208	223.099	-	36.970.687	38.516.708
<b>Total Liabilities</b>	<b>88.551.962</b>	<b>18.366.869</b>	<b>30.324.883</b>	<b>53.212.934</b>	<b>733.278</b>	<b>40.070.431</b>	<b>231.260.357</b>
<b>Balance Sheet Long Position</b>	<b>7.375.118</b>	<b>9.281.835</b>	<b>21.790.413</b>	<b>-</b>	<b>5.724.153</b>	<b>-</b>	<b>44.171.519</b>
<b>Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19.373.084)</b>	<b>-</b>	<b>(24.798.435)</b>	<b>(44.171.519)</b>
Off-Balance Sheet Long Position	16.671.092	367.990	-	5.831.646	-	-	22.870.728
Off-Balance Sheet Short Position	-	-	(21.015.785)	-	(74.141)	-	(21.089.926)
<b>Total Position</b>	<b>24.046.210</b>	<b>9.649.825</b>	<b>774.628</b>	<b>(13.541.438)</b>	<b>5.650.012</b>	<b>(24.798.435)</b>	<b>1.780.802</b>

(1) Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other miscellaneous liabilities, shareholders' equity, other assets, other foreign resources 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 on the other assets, non-interest bearing.

(3) Includes issued capital securities classified under subordinated debt instruments in the balance sheet.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations related to interest rate risk (Continued)**

*Average interest rates applied to monetary financial instruments: %*

	<b>Euro</b>	<b>US Dollar</b>	<b>Yen</b>	<b>TL</b>
<b>Current Period</b>				
<b>Assets</b>				
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	2,75	4,36	-	39,25
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	41,28
Financial Assets at Fair Value Through Other Comprehensive Income	4,57	6,41	-	42,36
Loans	6,13	8,84	-	46,74
Financial Assets Measured at Amortized Cost	5,84	8,09	-	19,15
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,28	4,47	-	40,04
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	6,20	-	-
Borrower Funds	0,25	0,50	-	30,00
Funds Provided from Other Financial Institutions	3,59	5,47	-	38,61

(1) Includes classified under subordinated debt instruments in the balance sheet. and the main capital-like credit-qualified bonds issued.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations related to interest rate risk (Continued)**

*Average interest rates applied to monetary financial instruments: %*

	<b>Euro</b>	<b>US Dollar</b>	<b>Yen</b>	<b>TL</b>
<b>Prior Period</b>				
<b>Assets</b>				
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	-	46,00
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	48,22
Financial Assets at Fair Value Through Other Comprehensive Income	4,57	6,41	-	45,87
Loans	7,30	9,19	-	54,00
Financial Assets Measured at Amortized Cost	5,84	8,09	-	22,06
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,26	0,53	-	46,69
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	5,92	-	-
Borrower Funds	0,25	0,50	-	39,00
Funds Provided from Other Financial Institutions (1)	4,51	5,89	-	47,74

(1) Includes classified under subordinated debt instruments in the balance sheet. and the main capital-like credit-qualified bonds issued.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**IV. Explanations related to stock position risk**

Accounting practices regarding investments in associates and subsidiaries are included in Section 3, Note XXII.I.

**Equity shares risk due from banking book**

The table below is a comparison table of the Bank's investments in stock exchanges, the balance sheet, the fair value and the market value for those traded on the stock exchange.

Current Period	Comparison		
Share Certificate Investments	Book Value	Share Certificate Investments	Book value
<b>Investment in Shares-Grade A</b>	<b>3.995.361</b>	-	<b>4.460.775</b>
Quoted	3.995.361	-	4.460.775
<b>Investment in Shares-Grade B</b>	<b>4.951.282</b>	-	<b>4.064.531</b>
Quoted	4.951.282	-	4.064.531

Prior Period	Comparison		
Share Certificate Investments	Book Value	Share Certificate Investments	Book Value
<b>Investment in Shares-Grade A</b>	<b>3.262.349</b>	-	<b>3.306.514</b>
Quoted	3.262.349	-	3.306.514
<b>Investment in Shares-Grade B</b>	<b>4.177.984</b>	-	<b>3.591.348</b>
Quoted	4.177.984	-	3.591.348

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 the Period	Revaluation Value Increases		Unrealized Gains and Losses		
Portfolio		Total	Included in Core Capital (1)	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	2.825.819	2.825.819	-	-	-
Other Share Certificates	-	1.653.115	1.653.115	-	-	-
<b>Total</b>	-	<b>4.478.934</b>	<b>4.478.934</b>	-	-	-

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**V. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio**

**1. Explanations related to the liquidity risk**

**1.a Information about the governance of unconsolidated liquidity risk management, including: risk tolerance, structure and responsibilities for unconsolidated liquidity risk management, internal unconsolidated liquidity reporting and communication of unconsolidated liquidity risk strategy, policies and practices across business lines and with the board of directors**

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

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

Considering the Bank's strategies and competitive conditions, Asset and Liability Committee 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 Department also makes cash flow projection reportings to the Treasury Department and the Asset Liability Committee at certain periods and when needed.

**1.b Information on the centralization degree of unconsolidated liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries**

Within the scope of consolidation, liquidity management is not centralized, and each subsidiary is responsible for its own liquidity management. However, the Bank monitors the liquidity risk of each subsidiary within the defined limits.

**1.c Information on the Bank's funding strategy including the policies on funding types and variety of maturities**

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

**1. Explanations related to the liquidity risk (Continued)**

**1.ç Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities:**

The Bank's obligations consist of Turkish Lira (TL), US Dollar (USD) and Euro (EUR) currency types. Turkish Lira obligations mainly consist of equity and repurchase agreements, whereas foreign currency obligations consist of foreign currency credits, securities issued and repurchase agreements. All loans provided from foreign sources are in foreign currencies. For this reason, foreign resources can be used in TL funding by currency swap transactions when necessary.

**1.d Information on unconsolidated liquidity risk mitigation techniques**

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

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

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

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

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



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

**2. Liquidity Coverage Ratio**

According to regulations which is published on 28948 numbered gazette on March 21, 2014 related to calculation of liquidity coverage ratio of banks, calculated liquidity coverage ratios are shown below. Including the reporting period for the last three months unconsolidated foreign currency and total liquidity coverage ratios and the lowest and highest values during the period are shown below:

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
<b>Lowest</b>	529,99	357,31	312,68	272,34
<b>Related Week</b>	25/07/2025	25/07/2025	27/12/2024	27/12/2024
<b>Highest</b>	980,60	797,66	886,00	612,13
<b>Related Week</b>	22/08/2025	22/08/2025	20/12/2024	13/12/2024

	Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
	TL+FC	FC	TL+FC	FC
<b>Current Period</b>				
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 High quality liquid assets			29.367.613	18.877.372
<b>CASH OUTFLOWS</b>				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business, Customers Deposits	10.741.864	8.767.023	9.470.861	7.566.525
6 Operational deposits	880.242	794.906	220.061	198.726
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	9.861.622	7.972.117	9.250.800	7.367.799
9 Secured funding			-	-
10 Other Cash Outflows	1.117.653	1.051.711	1.117.653	1.051.711
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1.117.653	1.051.711	1.117.653	1.051.711
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	54.243.411	47.750.301	5.134.940	4.028.771
<b>16 TOTAL CASH OUTFLOWS</b>			<b>15.723.454</b>	<b>12.647.007</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	21.370.337	11.652.005	18.118.338	8.588.654
19 Other contractual cash inflows	904.105	8.874.118	904.105	8.874.118
<b>20 TOTAL CASH INFLOWS</b>	<b>22.274.442</b>	<b>20.526.123</b>	<b>19.022.443</b>	<b>17.462.772</b>
			<b>Upper Limit Applied Amounts</b>	
<b>21 TOTAL HQLA STOCK</b>	-	-	<b>29.367.613</b>	<b>18.877.372</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>	-	-	<b>3.930.864</b>	<b>3.161.752</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>	-	-	<b>747</b>	<b>597</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

**2. Liquidity Coverage Ratio (Continued)**

Prior Period	Rate of “Percentage to be taken into account” not Implemented Total value		Rate of “Percentage to be taken into account” Implemented Total value	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 High quality liquid assets			25.964.543	14.680.429
<b>CASH OUTFLOWS</b>				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business Customers Deposits	12.460.144	10.198.081	10.922.938	8.737.229
6 Operational deposits	637.878	565.489	159.470	141.372
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	11.822.266	9.632.592	10.763.468	8.595.857
9 Secured funding			-	-
10 Other Cash Outflows	637.961	1.045.651	637.961	1.045.651
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	544.433	952.123	544.433	952.123
12 Debts related to the structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	93.528	93.528	93.528	93.528
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	38.351.873	30.706.556	4.089.432	2.790.167
16 <b>TOTAL CASH OUTFLOWS</b>	-	-	<b>15.650.331</b>	<b>12.573.047</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	2.201	-	-	-
18 Unsecured Lending Transactions	16.203.833	13.834.562	12.727.641	10.574.570
19 Other contractual cash inflows	947.319	6.514.017	947.319	6.514.017
20 <b>TOTAL CASH INFLOWS</b>	<b>17.153.353</b>	<b>20.348.579</b>	<b>13.674.960</b>	<b>17.088.587</b>
			<b>Upper Limit Applied Amounts</b>	
21 <b>TOTAL HQLA STOCK</b>	-	-	<b>25.964.543</b>	<b>14.680.429</b>
22 <b>TOTAL NET CASH OUTFLOWS</b>	-	-	<b>3.912.583</b>	<b>3.143.262</b>
23 <b>LIQUIDITY COVERAGE RATIO (%)</b>	-	-	<b>664</b>	<b>467</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

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

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

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

Main funding source of the Bank is long term loans attained from international financial institutions. The ratio of those loans in total funding is around 57%. The total ratio of the securities issued in purpose of funding diversification and loans attained through subordinated loans and syndication loans in overall borrowing is 35%. 8% of the Bank's total funding is provided from the repo money markets.

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

***Presentation of assets and liabilities according to their remaining maturities:***

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1) (2)	Total (2)
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	5.582.894	-	-	-	-	-	5.582.894
Banks	911.623	4.716.873	-	-	-	-	-	5.628.496
Financial Assets at Fair Value Through Profit and Loss	-	1.379.675	212.932	236.139	2.550	-	1.590.480	3.421.776
Money Market Placements	-	9.620.438	2.606.204	-	-	-	-	12.226.642
Financial Assets at Fair Value Through Other Comprehensive Income	-	2.250.590	5.064	5.064.180	14.183.551	3.703.918	1.393.100	26.600.403
Loans	-	4.298.202	10.052.490	53.971.566	118.165.439	29.644.026	-	216.131.723
Financial Assets Measured at Amortized Cost	-	-	-	-	17.445.042	8.485.673	-	25.930.715
Other Assets (2)	-	-	-	-	-	-	9.956.927	9.956.927
<b>Total Assets</b>	<b>911.623</b>	<b>27.848.672</b>	<b>12.876.690</b>	<b>59.271.885</b>	<b>149.796.582</b>	<b>41.833.617</b>	<b>12.940.507</b>	<b>305.479.576</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	5.260.003	3.062.045	26.640.685	59.995.862	73.184.649	-	168.143.244
Money Market Borrowings	-	11.663.860	530	4.059.210	-	-	-	15.723.600
Marketable Securities Issued (3)	-	1.345.447	-	16.285.467	53.622.315	-	-	71.253.229
Miscellaneous Payables	-	-	-	-	-	-	1.727.138	1.727.138
Other Liabilities	-	1.150.216	325.390	322.600	133.378	-	46.700.781	48.632.365
<b>Total Liabilities</b>	<b>-</b>	<b>19.419.526</b>	<b>3.387.965</b>	<b>47.307.962</b>	<b>113.751.555</b>	<b>73.184.649</b>	<b>48.427.919</b>	<b>305.479.576</b>
<b>Liquidity Gap</b>	<b>911.623</b>	<b>8.429.146</b>	<b>9.488.725</b>	<b>11.963.923</b>	<b>36.045.027</b>	<b>(31.351.032)</b>	<b>(35.487.412)</b>	<b>-</b>
<b>Net Off-balance Sheet Position</b>	<b>-</b>	<b>(227.230)</b>	<b>(226.398)</b>	<b>73.540</b>	<b>110.822</b>	<b>(12.101)</b>	<b>-</b>	<b>(281.367)</b>
Financial Derivative Assets	-	31.017.037	19.522.899	16.795.366	57.529.616	5.325.781	-	130.190.699
Financial Derivative Liabilities	-	31.244.267	19.749.297	16.721.826	57.418.794	5.337.882	-	130.472.066
Non-cash Loans	-	132.959	673.956	17.354.306	2.273.881	10.627.984	2.944.589	34.007.675
<b>Prior Period</b>								
Total Assets	1.361.227	18.319.907	11.354.996	42.476.842	110.485.811	36.223.885	11.037.689	231.260.357
Total Liabilities	-	19.341.917	5.002.874	23.398.549	87.786.988	55.747.228	39.982.801	231.260.357
<b>Liquidity Gap</b>	<b>1.361.227</b>	<b>(1.022.010)</b>	<b>6.352.122</b>	<b>19.078.293</b>	<b>22.698.823</b>	<b>(19.523.343)</b>	<b>(28.945.112)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>739.665</b>	<b>216.047</b>	<b>115.452</b>	<b>716.524</b>	<b>(6.886)</b>	<b>-</b>	<b>1.780.802</b>
Financial Derivative Assets	-	28.639.066	7.606.176	14.631.450	37.904.292	4.817.848	-	93.598.832
Financial Derivative Liabilities	-	27.899.401	7.390.129	14.515.998	37.187.768	4.824.734	-	91.818.030
Non-cash Loans	-	803.618	3.927.079	7.341.596	2.175.410	6.263.934	1.083.703	21.595.340

(1) Other active and foreign resources that are required for the continuation of banking activities, such as tangible and intangible assets, affiliates and subsidiaries, deferred tax assets, in-kind assets, prepaid expenses and receivables under follow-up, total equity, provisions, tax liabilities, etc., are shown in the "Undistributed" column.

(2) Expected credit losses for stage 1 and stage 2 are shown on the other assets, undistributed.

(3) Its also classified under subordinated debt instruments on the balance sheet and the bonds with main capital-like credit quality issued.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

**4. Net stable funds ratio**

Pursuant to the “Regulation on the Calculation of Banks’ Net Stable Funding Ratio” published in the Official Gazette dated 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 deterioration of their liquidity levels due to the funding risk that they may be exposed to on a consolidated and non-consolidated basis in the long term.

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

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

Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board. The three-month simple arithmetic average of the net stable funding ratios for the last three months including the reporting period is calculated as 128,33%, and the three-month simple arithmetic average for the previous period is calculated as 127,00%.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

**4. Net stable funds ratio (Continued)**

Current Period	a	b	c	ç	d
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Undated	Less than 6 Months Term	6 Months to More than 6 Months and Less than 1 Year Term	1 Year and Longer Term	
<b>Total Amount Applied to Consideration Rate</b>					
1 Equity Items	46.376.150	-	-	12.399.510	58.775.660
2 Core capital and supplementary capital	46.376.150	-	-	12.399.510	58.775.660
3 Other Equity Items	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Less stable deposits /participation fund	-	-	-	-	-
7 Debts to other persons	663.847	49.108.907	19.201.224	174.590.306	187.589.240
8 Operational deposit/participation fund	663.847	-	-	-	331.924
9 Other debts	-	49.108.907	19.201.224	174.590.306	187.257.316
10 Liabilities equivalent to interconnected assets					
11 Other liabilities	3.197.712	2.151.202	-	-	-
12 Derivative liabilities				670.878	
13 Other equity items and liabilities Not included above	3.197.712	1.480.324	-	-	-
<b>14 Current Stable Fund</b>					<b>246.364.900</b>
<b>Stable Fund Required</b>					
15 High quality liquid assets					8.123.438
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	86.950	48.113.498	31.363.683	148.233.821	159.073.179
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	-	19.138.635	3.887.423	4.491.940	9.306.447
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.	-	28.842.215	27.296.545	143.741.881	149.538.414
21 Receivables subject to a risk weight of 35% or less	-	-	-	3.557.822	2.312.584
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	86.950	132.648	179.715	-	228.318
25 Assets equivalent to interdependent liabilities					
26 Other assets	18.964.997	997.818	-	-	19.864.396
27 Physically delivered commodities including gold	-				-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty			656.126		557.707
29 Derivative assets			62.685		62.685
30 Amount of derivative liabilities before deducting the variation margin			144.027		144.027
31 Other assets not listed above	18.964.997	134.980	-	-	19.099.977
32 Off-balance sheet liabilities		5.152.434	14.216.581	35.573.087	2.747.105
<b>33 Stable Fund Required</b>					<b>189.808.118</b>
<b>34 Net Stable Funding Rate (%)</b>					<b>129,80</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

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

**4. Net stable funds ratio (Continued)**

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**VI. Explanations related to leverage ratio**

**a) Information on subjects that causes difference in leverage ratio between current and prior period**

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

As of the Bank’s balance sheet date, the leverage ratio, calculated on the basis of the arithmetic average of the values found at the end of the month in the past three months, was 15,40% (December 31, 2024: 15,91%). The amount of assets on the balance sheet increased by 32,10% compared to the previous period.

**b) Leverage Ratio**

		<b>Current Period (1)</b>	<b>Prior Period (1)</b>
	<b>Balance sheet Assets</b>		
<b>1</b>	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	299.059.093	226.387.749
<b>2</b>	(Assets deducted from Core Capital)	(1.564.564)	(1.127.959)
<b>3</b>	<b>Total risk amount of balance sheet assets (sum of lines 1 and 2)</b>	<b>297.494.529</b>	<b>225.259.790</b>
	<b>Derivative financial assets and credit derivatives</b>		
<b>4</b>	Cost of replenishment for derivative financial assets and credit derivatives	260.213	173.100
<b>5</b>	Potential credit risk amount of derivative financial assets and credit derivatives	1.415.174	826.419
<b>6</b>	<b>Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)</b>	<b>1.675.387</b>	<b>999.519</b>
	<b>Financing transactions secured by marketable security or commodity</b>		
<b>7</b>	Risk amount of financing transactions secured by marketable security or commodity	4.296.583	1.523.553
<b>8</b>	Risk amount arising from intermediary transactions	-	-
<b>9</b>	<b>Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)</b>	<b>4.296.583</b>	<b>1.523.553</b>
	<b>Off-balance sheet transactions</b>		
<b>10</b>	Gross notional amount of off-balance sheet transactions	56.265.253	38.899.158
<b>11</b>	(Correction amount due to multiplication with credit conversion rates)	(16.894.089)	(10.738.272)
<b>12</b>	<b>Total risk of off-balance sheet transactions (sum of lines 10 and 11)</b>	<b>39.371.164</b>	<b>28.160.886</b>
	<b>Capital and total risk</b>		
<b>13</b>	Core Capital	52.788.227	40.712.041
<b>14</b>	<b>Total risk amount (sum of lines 3, 6, 9 and 12)</b>	<b>342.837.663</b>	<b>255.943.748</b>
	<b>Leverage ratio</b>		
<b>15</b>	<b>Leverage ratio</b>	<b>15,40%</b>	<b>15,91%</b>

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



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**VII. Explanations related to risk management**

**Linkages between financial statements and risk amounts**

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

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

**Disclosures on the risk management approach and risk-weighted amount**

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

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

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**VII. Explanations related to risk management (continued)**

*Overview of risk weighted assets*

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk)	188.621.483	137.511.212	15.089.718
2	Standardized approach	188.621.483	137.511.212	15.089.718
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2.088.783	1.373.221	167.103
5	Standardized approach for counterparty credit risk	2.088.783	1.373.221	167.103
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models' equity position in the banking account	-	-	-
8	Investments made in collective investment companies look-through approach	-	-	-
9	Investments made in collective investment companies mandate-based approach	-	-	-
10	Investments made in collective investment companies 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	Simplified supervisory formula approach	-	-	-
16	Market risk	2.417.188	1.510.425	193.375
17	Standardized approach	2.417.188	1.510.425	193.375
18	Internal model approaches	-	-	-
19	Operational risk	21.062.859	14.736.765	1.685.029
20	Basic indicator approach	21.062.859	14.736.765	1.685.029
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	10.703.045	8.155.088	856.244
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>224.893.358</b>	<b>163.286.711</b>	<b>17.991.469</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and disclosures related to the assets**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	-	-	-	-
Balances with the Central Bank of Turkey	955	5.581.939	772	2.879.653
Other	-	-	-	-
<b>Total</b>	<b>955</b>	<b>5.581.939</b>	<b>772</b>	<b>2.879.653</b>

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

	Current Period (1)		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	955	8.984	772	7.345
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (2)	-	5.572.955	-	2.872.308
<b>Total</b>	<b>955</b>	<b>5.581.939</b>	<b>772</b>	<b>2.879.653</b>

(1) Expected credit loss amounting to TL 5.527 is allocated in "Balances with the Central Bank of Turkey" (December 31, 2024: TL 3.102).

(2) Includes the amount of required reserves blocked at the CBRT for Turkish lira assets and foreign currency liabilities

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

As per the "Communiqué on Amendments to be Made on Communiqué on Required Reserves" of Central Bank of Turkey, numbered 2011/11 and 2011/13, required reserves for Turkish Lira and Foreign currency liabilities are set at Central Bank of Turkey based on rates mentioned below. Reserve rates prevailing at September 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
Until 3-year maturity (3 year included)	5,5
More than 3-year maturity	3
Securities issued by development and investment banks with a maturity of more than 1 year	0
Foreign bank deposits/participation funds, funds obtained from offshore repo transactions, and loans obtained from abroad from other liabilities of banks with maturities up to one month (including one month)	18
Foreign bank deposits/participation funds, funds obtained from offshore repo transactions, and loans obtained from abroad from other liabilities of banks with maturities up to 3 months (including 3 months)	14
Foreign bank deposits/participation funds, funds obtained from offshore repo transactions, and loans obtained from abroad from other liabilities of banks with maturities up to one year (including one year)	12
Those belonging to the main partnerships of banks from the demand deposits/participation funds in foreign banks	0

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS****I. Explanations and disclosures related to the assets****1.b Information related to the account of the Central Bank of Turkey:**

Reserve Rates for Foreign Currency Liabilities (%)	
Original Maturity	Reserve Ratio
Borrower funds	25
Until 1 year maturity (1 year included)	21
Until 2-year maturity (2 year included)	16
Until 3-year maturity (3 year included)	11
Until 5-year maturity (5 year included)	7
More than 5-year maturity	5
Foreign bank deposits/participation funds, funds obtained from offshore repo transactions, and loans obtained from abroad from other liabilities of banks with maturities up to one year (including one year)	25

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

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

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

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

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

Financial Derivative Assets (1)	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	129.252	32.266	3.294	511
Swap Transactions	741.029	723.784	692.662	1.241.541
Futures Transaction	-	-	-	-
Options	-	3.038	-	24
Other	-	-	-	-
<b>Total</b>	<b>870.281</b>	<b>759.088</b>	<b>695.956</b>	<b>1.242.076</b>

(1) Derivative Financial Assets for Hedging Purposes amounting to TL 201.928 are shown in the "Derivative Financial Assets" account (December 31, 2024: TL 1.119.407).

As part of its economic hedging strategy, the Bank has implemented TL cross currency interest rate swap transactions in which the Bank's default risk is the reference. These swap agreements are subject to a direct closing condition for both the Bank and the counterparty, in the event of a credit default event (such as a non-payment) related to the Bank, to cancel the amounts accrued in the contract and all future payments. As of September 30, 2025, the market rediscount value of this swap transaction with a nominal amount of 25 million dollars is TL 723.602 and the maturity is 2027 (December 31, 2024: \$ 25 million is TL 551.146).

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

As of September 30, 2025, there are no loans with fair value difference reflected in profit and loss. (December 31, 2024: none)

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****3. Information on banks and foreign banks account****3.a Information on banks:**

	Current Period (1)		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	16.484	3.260.482	3.006	6.322.595
Foreign	-	2.351.530	-	1.350.261
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>16.484</b>	<b>5.612.012</b>	<b>3.006</b>	<b>7.672.856</b>

(1) Expected credit loss amounting to TL 606 is allocated in "Banks" (December 31, 2024: TL 260).

**3.b Information on foreign banks:**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	4.643.260	2.031.743	-	1.985.056
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>4.643.260</b>	<b>2.031.743</b>	<b>-</b>	<b>1.985.056</b>

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

As of September 30, 2025, all financial assets at fair value through other comprehensive income given as collateral comprise of financial assets issued by the T.R. Undersecretariat of Treasury. The carrying value of those assets is TL 6.018.479 (December 31, 2024: TL 5.366.843).

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	6.018.479	-	4.271.767	1.095.076
Other	-	-	-	-
<b>Total</b>	<b>6.018.479</b>	<b>-</b>	<b>4.271.767</b>	<b>1.095.076</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the 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 70%, Eurobonds 23,59%, 6,41% and shares and other securities (December 31, 2024: 63,27% government bonds, 27,27% Eurobond, 9,46% shares and other securities).

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

	Current Period	Prior Period
Debt securities	25.340.001	17.359.192
Quoted on a stock Exchange	19.063.986	12.348.778
Unquoted	6.276.015	5.010.414
Share certificates	1.397.994	1.094.761
Quoted on a stock Exchange	86.950	80.417
Unquoted	1.311.044	1.014.344
Impairment provision (-)	137.592	101.064
<b>Total</b>	<b>26.600.403</b>	<b>18.352.889</b>

The net book value of unquoted financial assets at fair value through other comprehensive income share certificates is TL 1.306.150 (December 31, 2024: TL 1.009.450).

**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	103.781	-	307.580	-
Corporate shareholders	103.781	-	307.580	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	16.209	-	7.975	-
<b>Total</b>	<b>119.990</b>	<b>-</b>	<b>315.555</b>	<b>-</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****5. Explanation on loans (continued)****5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:**

Current Period (1)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring Loans Under Close Monitoring	Amendments on Conditions of Contract	
Cash Loans			Loans with Revised Contract Terms	Refinance
Non-specialized loans	200.024.099	1.778.140	13.125.216	-
Working Capital loans	29.066.514	885.188	4.581.292	-
Export loans	888.747	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	16.116.054	-	-	-
Consumer loans	16.209	-	-	-
Credit cards	-	-	-	-
Other	153.936.575	892.952	8.543.924	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>200.024.099</b>	<b>1.778.140</b>	<b>13.125.216</b>	<b>-</b>

(1) Purchase Loans and totalling TL 4.911.051 which are shown under "Business Loans" in the bank account plan, are shown under the "Other" category in the footnote above due to their "Investment" nature.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**5. Explanation on loans (continued)**

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

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

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

	Current Period		Prior Period	
	Standard Loans	Loans under Close Monitoring	Standard Loans	Loans under Close Monitoring
12 Months Expected Credit Loss	997.366	-	929.233	-
Significant Increase in Credit Risk	-	5.075.595	-	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 to Be Disclosed to the Public by Banks and Related Explanations and Notes.



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****5. Explanation on loans (continued)****5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:**

<b>Current Period</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Instalments	-	-	-
Personnel Loans-TL	5.542	10.667	16.209
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	5.542	10.667	16.209
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)	-	-	-
<b>Total</b>	<b>5.542</b>	<b>10.667</b>	<b>16.209</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****5. Explanation on loans (continued)****5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):**

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With 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)	-	-	-
<b>Total</b>	<b>3.373</b>	<b>4.602</b>	<b>7.975</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****5. Explanation on loans (continued)****5.e Information on commercial loans with instalments and corporate credit cards:**

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

**5.f Loans according to borrowers:**

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

**5.g Domestic and foreign loans:**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic loans	214.346.724	161.878.851
Foreign loans	580.731	448.205
<b>Total</b>	<b>214.927.455</b>	<b>162.327.056</b>

**5.h Loans granted to subsidiaries and associates:**

	<b>Current Period</b>	<b>Prior Period</b>
Direct loans granted to subsidiaries and associates	2.101.459	2.197.707
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>2.101.459</b>	<b>2.197.707</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Loans and receivables with limited collectability	29.220	1.459.431
Loans and receivables with doubtful collectability	-	5.170
Uncollectible loans and receivables	1.723.634	1.750.710
<b>Total</b>	<b>1.752.854</b>	<b>3.215.311</b>

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
<b>Current Period</b>			
Gross amounts before provisions	48.700	-	1.676.409
Rescheduled loans	48.700	-	1.676.409
<b>Prior Period</b>			
Gross amounts before provisions	467.612	10.339	1.669.713
Rescheduled loans	467.612	10.339	1.669.713

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**5. Explanation on loans (continued)**

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

**5.j.2 Information on total non-performing loans (net):**

Current Period	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
<b>Prior period end balance</b>	<b>1.904.537</b>	<b>10.339</b>	<b>1.758.139</b>
Additions (+)	-	-	2.507
Transfers from other categories of non-performing loans (+)	-	-	1.436.925
Transfers to other categories of non-performing loans (-)	1.436.925	-	-
Collections (-)	418.912	10.339	1.358.634
Write-offs (-) (1)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	-	-	197
<b>Current period end balance</b>	<b>48.700</b>	<b>-</b>	<b>1.839.134</b>
Provision (-)	29.220	-	1.723.634
<b>Net Balances on Balance Sheet</b>	<b>19.480</b>	<b>-</b>	<b>115.500</b>

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

(1) The amount related to real estate acquired by the Bank due to its non-performing receivables is shown in the collections line as TL 139.210.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

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

<b>Current Period</b>	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Period End Balance	-	-	1.302
Provision (-)	-	-	1.302
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period</b>			
Period End Balance	-	-	1.105
Provision (-)	-	-	1.105
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	48.700	-	1.839.134
Provision Amount (-)	29.220	-	1.723.634
Loans to Real Persons and Legal Entities (Net)	19.480	-	115.500
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**5. Explanation on loans (continued)**

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

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

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
<b>Current Period (Net)</b>	-	-	-
Interest Accruals and Rediscount with Valuation Differences	-	-	197
Provision amount (-)	-	-	197
<b>Prior Period (Net)</b>	-	-	-
Interest Accruals and Rediscount with Valuation Differences	83	-	97
Provision amount (-)	83	-	97

**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 to Be Disclosed to the Public by Banks and the Related Explanations and Notes.

**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 to be Disclosed to the Public by Banks and the Related Explanations and Notes.

**6. Information on financial assets measured at amortized cost**

**6.a The information was subjected to repurchase agreement and given as collateral/blocked amount of investments:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralized/Blocked Investments	1.070.740	2.727.601	2.621.515	4.120.258
Subject to Repurchase Agreements	7.769.087	3.979.188	2.666.448	131.383
<b>Total</b>	<b>8.839.827</b>	<b>6.706.789</b>	<b>5.287.963</b>	<b>4.251.641</b>

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

	Current Period	Prior Period
Government Bonds	25.930.715	24.219.715
Treasury Bills	-	-
Other Government Debt Securities	-	-
<b>Total</b>	<b>25.930.715</b>	<b>24.219.715</b>

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

	Current Period	Prior Period
<b>Debt Securities</b>		
Quoted on a Stock Exchange	9.115.180	9.949.963
Not Quoted	16.815.535	14.269.752
Impairment provision (-)	-	-
<b>Total</b>	<b>25.930.715</b>	<b>24.219.715</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**6. Information on financial assets measured at amortized cost (Continued)**

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

	Current Period	Prior Period
<b>Balance at Beginning of the Period</b>	<b>24.219.715</b>	<b>18.894.112</b>
Foreign Currency Differences on Monetary Assets	2.671.760	2.121.701
Purchases During the Period	33.357	3.194.001
Disposals Through Sales and Redemptions	1.709.071	704.972
Impairment Loss	-	-
Interest Income Accruals	714.954	714.873
<b>Balance at End of Period</b>	<b>25.930.715</b>	<b>24.219.715</b>

Expected credit loss amounting to TL 18.479 is allocated in "Financial asset measured at amortized cost" (December 31, 2024: TL 20.200).

**7. Information on associates (net)**

**7.a Information on associates**

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	İş Faktoring A.Ş. (İş Faktoring)	İstanbul/Türkiye	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	İstanbul/Türkiye	29,46	60,82
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (İş Girişim)	İstanbul/Türkiye	16,67	56,79
4	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	İstanbul/Türkiye	17,83	18,76
5	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	İzmir/Türkiye	10,05	20,10

		Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/ Loss	Fair Value
1	İş Faktoring	42.815.896	5.880.279	76.440	8.480.479	-	1.420.631	688.532	-
2	İş Finansal (2)	98.138.869	12.471.211	129.589	12.470.015	-	2.522.907	1.385.101	3.356.474
3	İş Girişim (2)	10.242.829	5.996.548	20.076	60.000	-	1.817.507	42.983	1.017.352
4	Terme (1)	32.333	29.355	26.005	-	-	(9)	(7)	-
5	Ege Tarım	73.627	46.080	64.269	2.871	9.788	(5.336)	15.060	-

(1) The information is obtained from financial statements as of June 30, 2024. The information of prior year profit/loss is obtained from June 30, 2023 financial statements.

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

**7.b Movements of associates subject to consolidation:**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>4.201.492</b>	<b>2.825.834</b>
Movements During the Period	990.510	1.375.658
Purchases	-	-
Bonus Shares Obtained	-	-
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase / decrease (1)	990.510	1.375.658
Provision for Impairment (-)	-	-
<b>Balance at the End of the Period</b>	<b>5.192.002</b>	<b>4.201.492</b>
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

(1) Includes accounting differences with the equity method.

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****7. Information on associates (net) (continued)*****Information on associates sold in the current period***

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

***Information on associates purchased in the current period***

In current period the Bank has not purchased any associates

**7.c Sectoral information of associates subject to the related carrying amounts in the legal books:**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	1.278.961	1.014.392
Leasing Companies	3.296.913	2.632.351
Financial Service Companies	-	-
Other Financial Associates	611.497	549.582

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

	Current Period	Prior Period
Associates quoted on domestic stock exchanges	3.908.410	3.181.933
Associates quoted on foreign stock exchanges	-	-

**8. Information on subsidiaries (net)****8.a Information related to equity component of subsidiaries:**

Current Period (1)	YF	TSKB GYO
<b>CORE CAPITAL</b>		
Paid-in Capital	400.000	650.000
Share Premium	-	1.136
Legal Reserves	26.866	8.448
Other Comprehensive Income according to TAS	315.297	-
Current and Prior Years' Profit/Loss	757.211	4.927.162
Leasehold Improvements (-)	4.472	-
Intangible Assets (-)	4.995	109
<b>Total Core Capital</b>	<b>1.489.907</b>	<b>5.586.637</b>
<b>Supplementary Capital</b>	<b>-</b>	<b>-</b>
<b>Capital</b>	<b>-</b>	<b>-</b>
<b>NET AVAILABLE CAPITAL</b>	<b>1.489.907</b>	<b>5.586.637</b>

(1) The information is obtained from financial statements subject to consolidation as of September 30, 2025.



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****8. Information on subsidiaries (net) (continued)****8.a Information related to equity component of subsidiaries (continued):**

Prior Period (1)	YF	TSKB GYO
<b>CORE CAPITAL</b>		
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
<b>Total Core Capital</b>	<b>942.554</b>	<b>4.715.074</b>
<b>Supplementary Capital</b>	-	-
<b>Capital</b>	-	-
<b>NET AVAILABLE CAPITAL</b>	<b>942.554</b>	<b>4.715.074</b>

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

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

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

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

**8.c Information on subsidiaries:**

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**8. Information on subsidiaries (net) (continued)**

**8.c Information on subsidiaries (continued):**

		Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	TSKB GMD	173.585	132.506	27.559	22.517	-	45.757	35.355	-
2	YF (1)	6.424.879	1.499.375	222.854	1.695.656	3.850	288.468	250.179	-
3	TSKB GYO (1) (2)	6.140.567	5.586.745	5.909.452	24.859	-	872.724	982.230	4.064.531
4	TSKB SD	28.040	22.846	818	4.015	-	3.746	140	-

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

(2) Fair value has been calculated on the basis of the stock market value as of September 30, 2025.

**8.d Movement schedule for subsidiaries:**

	Current Period	Prior Period
<b>Balance at the beginning of the period</b>	<b>5.219.274</b>	<b>3.676.484</b>
Movements in the period	1.323.477	1.542.790
Purchases	-	-
Bonus shares obtained	-	-
Current year share of profit	-	-
Sales	-	(801)
Revaluation increase / decrease (1)	1.323.477	1.543.591
Provision for impairment	-	-
<b>Balance at the end of the period</b>	<b>6.542.751</b>	<b>5.219.274</b>
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

(1) Includes accounting differences with the equity method.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****8. Information on subsidiaries (net) (continued)****8.d Movement schedule for subsidiaries (continued)*****Subsidiaries disposed in the current period***

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

***Subsidiaries purchased in the current period***

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

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

<b>Subsidiaries</b>	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Financial Subsidiaries	6.387.399	5.085.830

**8.f Subsidiaries subject to quoted on stock market:**

	<b>Current Period</b>	<b>Prior Period</b>
Subsidiaries quoted on domestic stock exchanges	4.951.282	4.177.984
Subsidiaries quoted on foreign stock exchanges	-	-

**9. Information on entities under common control**

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

**10. Information on lease receivables (net)****10.a Maturities of investments on leases:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less than 1 year	136.559	115.746	49.502	42.888
Between 1- 4 years	502.306	413.933	113.032	91.573
More than 4 years	647.080	539.609	353.471	283.092
<b>Total</b>	<b>1.285.945</b>	<b>1.069.288</b>	<b>516.005</b>	<b>417.553</b>

“Expected credit loss amounting to TL 151.714 (December 31, 2024: TL 117.847) is allocated in “Lease Receivables”.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****10. Information on lease receivables (net) (continued)****10.b The information on net investments in finance leases:**

	Current Period	Prior Period
<b>Gross investments in leases</b>	<b>1.285.945</b>	<b>516.005</b>
Unearned revenue from leases (-)	216.657	98.452
Cancelled leases (-)	-	-
<b>Net investments in leases</b>	<b>1.069.288</b>	<b>417.553</b>

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

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

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

There is a positive difference amounting to TL 201.928 related to derivative financial assets for hedging purposes (December 31, 2024: TL 1.119.407 positive differences).

As of September 30, 2025, the net fair value of derivative financial instruments designated as hedging instruments carried in the contract amount and the balance sheet are summarized in the following table:

	Current Period			Prior Period		
	Face Value	Asset	Face Value	Asset	Face Value	Asset
Interest Rate Swaps	59.207.660	201.928	73.289	38.602.372	18.436	417.848
FC	59.207.660	201.928	73.289	38.602.372	18.436	417.848
TL	-	-	-	-	-	-
Money Swaps	27.508.385	-	420.644	30.696.329	1.100.971	-
FC	27.508.385	-	420.644	30.696.329	1.100.971	-
TL	-	-	-	-	-	-

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****11. Explanation on derivative financial assets held for hedging purposes (continued)****11.b Information on fair value hedge accounting**

Current Period						Income Statement Effect (Profit/Loss Through Derivative Financial Instrument)
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		
				Assets	Liabilities	
Interest Rate Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(325.476)	244.525	-	(80.951)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	69.483	-	(72.762)	(3.279)
Cross Money Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(68.161)	269.739	-	201.578

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

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

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

**12. Explanations on tangible assets**

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

**13. Explanations on tangible assets**

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

**14. Information on investment property**

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and disclosures related to the assets (continued)****15. Information on deferred tax assets****15.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax asset:**

The Bank 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.

<b>Deferred tax asset:</b>	<b>Current Period</b>	<b>Prior Period</b>
Other provisions	1.943.467	1.489.428
Loan commissions	127.865	89.961
Employee benefit provision	44.787	30.725
Tangible fixed assets economic life differences	9.031	5.732
Discount of derivative functions	-	-
Other (1)	110.582	83.518
<b>Total Deferred Tax Assets</b>	<b>2.235.732</b>	<b>1.699.364</b>
<b>Deferred tax liability:</b>		
Useful life difference of fixed assets	(918.800)	(645.501)
Funds borrowed commissions	(270.698)	(166.321)
Valuation of derivative instruments	(56.912)	(527.528)
Other (2)	(84.621)	(94.907)
<b>Total Deferred Tax Liability</b>	<b>(1.331.031)</b>	<b>(1.434.257)</b>
<b>Net Deferred Tax Asset</b>	<b>904.701</b>	<b>265.107</b>

(1) In the Other item, there is also a deferred tax asset of TL , 29.065 related to right of use assets and TL 51.000 related to other provisions (December 31, 2024: TL 30.344 right of use assets and TL 30.000 other provision tax assets).

(2) In the Other item, there is also a deferred tax liability of TL 20.848 related to hedge accounting (December 31, 2024: TL 31.832 tax liability asset).

	<b>Current Period</b>	<b>Prior Period</b>
Deferred Tax as of January 1 Asset / (Liability) - Net	265.107	1.446.999
Deferred Tax (Loss) / Gain	655.755	(1.172.831)
Deferred Tax that is Realized Under Shareholders' Equity	(16.161)	(9.061)
<b>Deferred Tax Asset / (Liability) Net</b>	<b>904.701</b>	<b>265.107</b>

**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:**

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

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

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

**16. Explanation on assets held for sale**

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

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

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and disclosures related to the liabilities****1. Information of maturity structure of deposits****1.a Maturity structure of deposits:**

The Bank is not authorized to accept deposits.

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

The Bank is not authorized to accept deposits.

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

The Bank is not authorized to accept deposits.

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

The Bank is not authorized to accept deposits.

**2. Negative differences table related to derivative financial liabilities:**

Derivative Financial Liabilities (1)	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	108.317	28.617	3.101	486
Swap Transactions	107.267	889.996	157.686	719.121
Futures Transactions	-	-	-	-
Options	-	6.801	-	24
Other	-	-	-	-
<b>Total</b>	<b>215.584</b>	<b>925.414</b>	<b>160.787</b>	<b>719.631</b>

(1) Derivative financial liabilities for hedging purposes amounting to TL 493.933 (December 31, 2024: 417.848), were presented at "Derivative Financial Liabilities".

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	-	243.774	19.000	-
From Foreign Banks, Institutions and Funds	2.516.948	165.382.522	-	123.981.589
<b>Total</b>	<b>2.516.948</b>	<b>165.626.296</b>	<b>19.000</b>	<b>123.981.589</b>

**3.b Maturity analysis of funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	2.516.948	-	19.000	-
Medium and long-term	-	165.626.296	-	123.981.589
<b>Total</b>	<b>2.516.948</b>	<b>165.626.296</b>	<b>19.000</b>	<b>123.981.589</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and disclosures related to the liabilities (continued)****3. Information on banks and other financial institutions (continued)****3.c Information on marketable securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Nominal	-	57.037.746	-	50.565.893
Cost	-	56.820.961	-	50.370.730
Book Value	-	58.824.568	-	51.561.928

As of September 30, 2024, the details of the bonds issued by the Bank, which have not yet reached their maturity date, are as follows:

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

**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 to be Announced to the Public by Banks and the Related Explanations and Notes.

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

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

**5. Information on financial lease obligations (net)****5.a Explanations on finance lease payables:**

As of the balance sheet date, 255 computers are the subject of financial leasing transactions. In the current period, the Bank has TL 7.795 liabilities related to financial leasing transactions (December 31, 2024 TL 5.019).

**5.b Explanations regarding operational leases:**

As of the reporting date, the Bank's 2 head office buildings, 1 branch, 9 cars, 457 phones and 114 computers are subject to operational leasing. The Bank has no liability for operational leases in the current period (December 31, 2024: 2 head office buildings, 1 branch, 11 cars and 442 phones and 127 computers under operational leasing). In the current period, the Bank has lease liability with TFRS 16 amounting to TL 201.318 related to operational lease transactions (December 31, 2024: TL 242.736)

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

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



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and disclosures related to the liabilities (continued)****6. Negative differences on derivative financial instruments held for hedging purposes:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (1)	-	493.933	-	417.848
Cash Flow Hedge	-	-	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>493.933</b>	<b>-</b>	<b>417.848</b>

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

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

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

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

As of the reporting date, the Bank's third stage expected loss provisions provided for indemnified non-cash loans amounts to TL 5 (December 31, 2024: 4.153 TL). The Bank has an expected loss provision amounting to TL 374.479 for non-cash loans (December 31, 2024: TL 113.417).

**7.c Information on other provision:****7.c.1 Free provision for possible risks:**

Free provision amounting to TL 1.300.000 provided by the Bank management in the current period for possible results of the circumstances which may arise from possible changes in the economy and market TL 750.000 of this amount has been cancelled in the current period (December 31, 2024: TL 2.050.000).

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

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

The following actuarial assumptions were used in calculating total liabilities.

	Current Period (%)	Prior Period (%)
Real Discount Rate	3,98	3,98
Nominal Discount Rate	28,64	26,70
Inflation Rate	23,72	21,85

As of September 30 2024, employee termination benefits are amounting TL 92.631 reflected in financial statements (December 31, 2024: TL 69.239). As of September 30, 2024, the Bank has provided a reserve for unused vacation amounting to TL 56.660 (December 31, 2024: TL 33.178). This balance is classified under reserve for employee benefits in the financial statements.

***Liabilities on pension rights***

As explained on the Section Three, Accounting Policies, XV. Explanations on Liabilities Regarding Employee Benefits as of September 30, 2025, the Bank has no obligations on pension rights (December 31, 2024: None).

***Liabilities for pension funds established in accordance with Social Security Institution***

None (December 31, 2024: None).

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and disclosures related to the liabilities (continued)****7. Explanations on provisions (continued):****7.c Information on other provision (continued):****7.c.2 Information on employee termination benefits and unused vacation accrual***Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees*

The Bank's present value of the liabilities of TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı fund, subject to the transfer to the Social Security Institution of the Pension Fund as of December 31, 2024 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per actuarial report dated January 22, 2025, there is no need for technical or actual deficit to book provision as of December 31, 2024.

In this context, considering the provisions of the Law explained in the accounting policies related to Section 3, XVI 'Liabilities Related to Employee Benefits,' the Bank has no obligations as of September 30, 2025, for other social rights and payments excluded from the transfer-based liabilities in the foundation charter, as well as health benefits provided to employees.

**7.c.3 Explanations on litigation**

As of September 30, 2025, litigation is amounting TL 170.000 reflected in financial statements (December 31, 2024: TL 100.000).

**7.c.4 If other provisions exceed 10% of total provisions, the name and amount of sub-accounts:**

Not available (December 31, 2024: Not available.).

**8. Explanations on taxes payable****8.a Explanations on current taxes payable:****8.a.1 Explanations on taxes payable**

	Current Period		Prior Period	
	TL	FC	TL	FC
Corporate Taxes and Deferred Taxes				
Corporate Tax Payable	697.188	-	281.136	-
Deferred Tax Liability	-	-	-	-
<b>Total</b>	<b>697.188</b>	<b>-</b>	<b>281.136</b>	<b>-</b>

**8.a.2 Information on taxes payable:**

	Current Period	Prior Period
Corporate Taxes Payable	697.188	281.136
Taxation of Securities	5.072	6.406
Property Tax	-	-
Banking and Insurance Transaction Tax (BITT)	34.743	43.331
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	3.766	7.373
Other	41.764	28.906
<b>Total</b>	<b>782.533</b>	<b>367.152</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and disclosures related to the liabilities (continued)****8. Explanations on taxes payable (Continued)****8.a.3 Information on premiums:**

	Current Period	Prior Period
Social Security Premiums-Employee	-	-
Social Security Premiums-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment insurance-Employee	732	538
Unemployment insurance-Employer	1.463	1.075
Other	-	-
<b>Total</b>	<b>2.195</b>	<b>1.613</b>

**8.b Information on deferred taxes liabilities:**

As at the reporting date, the Bank has no deferred tax liability (December 31, 2024: None)

**9. Explanations on liabilities regarding assets held for sale**

None (December 31, 2024: None).

**10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:**

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

**11. Explanations on shareholders' equity****11.a Presentation of paid-in capital:**

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

**11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:**

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

**11.c Information on share capital increases and their sources; other information on increased capital shares in current period:**

In line with the decision taken at the Ordinary General Assembly held on March 24, 2025, the Bank does not have any capital increase during the current period.

In line with the decision taken at the Ordinary General Assembly held on March 28, 2024, the Bank does not have any capital increase during the current period.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and disclosures related to the liabilities (continued)****11. Explanations on shareholders' equity (continued)****11.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 Bank and their trends in the successive periods are followed by Budget Planning Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses.

The Bank operations are profitable, and the Bank retains the major part of its profit capital reserves within the shareholders equity.

**11.g Information on preferred shares which representing the capital**

There are no privileges granted to the Bank's shares representing the capital (December 31, 2024: None).

**11.h Information on marketable securities value increase fund:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Associates, Subsidiaries, and Entities Under Common Control</b>	<b>3.391.328</b>	<b>-</b>	<b>2.864.916</b>	<b>-</b>
<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>1.254.113</b>	<b>445.550</b>	<b>1.121.437</b>	<b>197.133</b>
Valuation Differences	564.981	445.550	663.230	197.133
Foreign Exchange Difference	689.132	-	458.207	-
<b>Total</b>	<b>4.645.441</b>	<b>445.550</b>	<b>3.986.353</b>	<b>197.133</b>

**11.i Information on legal reserves:**

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

**11.j Information on extraordinary reserves:**

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and disclosures related to the off-balance sheet items****1. Explanation on off-balance sheet liabilities****1.a Types and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Commitments for Forward Purchase and Sales of Assets	2.963.068	848.301
Commitments for Stock Brokerage Purchase and Sales	51.528	254.255
Commitments for Letter of Credit	519.298	574.672
Value Date Option Premiums	684	-
Commitments to Participate in the Capital of Affiliates, Subsidiaries and Other Partnerships	356.112	142.284
Other	53.018	39.897
<b>Total</b>	<b>3.943.708</b>	<b>1.859.409</b>

(1) The Bank, the European Investment Fund, to be established by Turkish Growth and Innovation Fund (TGIF) purchase of shares of the fund established under the name situated remaining amount that commitment and capital participation commitment regarding the cash capital increase of TSKB Sürdürülebilirlik A.Ş.

**1.b Possible losses and commitments related to off-balance sheet items including items listed below:****1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:**

As of the reporting date, total letters of credit, surety and acceptances amount to TL 18.244.645 (December 31, 2024: TL 12.968.450).

**1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:**

As of the reporting date, total letters of guarantee given by the Bank is TL 15.763.030 (December 31, 2024: TL 8.626.890).

**1.c.1 Total amount of non-cash loans:**

	Current Period	Prior Period
Non-cash loans given against obtaining cash loans	10.594.220	4.520.928
With maturity of one year or less than one year	-	1.402.661
With maturity of more than one year	10.594.220	3.118.267
Other non-cash loans	23.413.455	17.074.412
<b>Total</b>	<b>34.007.675</b>	<b>21.595.340</b>

**1.c.2 Information on sectoral risk concentration of non-cash loans**

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

**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 to be Disclosed to the Public by Banks and the Related Explanations and Notes.

**2. Explanation related to derivative financial instruments**

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

**3. Explanations on loan derivatives and risk exposures**

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

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**4. Explanations on contingent liabilities and assets:**

There are 27 legal cases against the Bank which are amounting to TL 184.451 as of the reporting date (December 31, 2024: TL 156.631 - 29 legal cases).

According to Legal Department of the Bank, it is not expected that the other lawsuits against the Bank will have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

**5. Custodian and intermediary services:**

The Bank has not provided trading and safe keeping services in the name and account of real persons, legal entities, funds, pension funds and other entities, which are presented in the statement of contingencies and commitments. The details of the securities taken as collateral are shown in the off-balance sheet accounts.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and disclosures related to the income statement****1. Information on interest income****1.a Information on interest on loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans (1)				
Short term loans	5.150	318.021	78.891	381.688
Medium and long-term loans	3.734.059	11.065.625	2.497.476	9.438.906
Interest on non-performing loans	2.223	338.911	34.124	55.682
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>3.741.432</b>	<b>11.722.557</b>	<b>2.610.491</b>	<b>9.876.276</b>

(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)	258	-	689	-
Domestic banks	15.071	50.640	21.315	21.359
Foreign banks	-	770	-	5.786
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>15.329</b>	<b>51.410</b>	<b>22.004</b>	<b>27.145</b>

(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	2	-	4.333	-
Financial Assets at Fair Value Through Other Comprehensive Income	4.513.373	265.978	1.916.088	261.116
Financial Assets Measured at Amortized Cost	2.081.326	977.609	2.857.243	745.636
<b>Total</b>	<b>6.594.701</b>	<b>1.243.587</b>	<b>4.777.664</b>	<b>1.006.752</b>

As indicated in accounting policies, the bank evaluates its Consumer Price Indexed (CPI) government bonds which are in securities portfolio of the Bank base on reference index at date of issue and estimated CPI's. The estimated CPI's is updated when it seems necessary.

As of September 30, 2025, the valuation of the said securities was calculated using the October 2024-October 2025 inflationrate (30,8%). (September 30, 2024: 44,9%). If the CPI forecast increases or decreases by 1%, pre-tax profit as of September 30, 2025 will increase by approximately 87 million TL (full amount) or decrease by the same amount.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**1. Information on interest income (continued)**

**1.d Information on interest income received from associates and subsidiaries:**

	Current Period	Prior Period
Interest received from associates and subsidiaries	179.720	148.295

**2. Information on interest expenses**

**2.a Information on interest on funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	502.464	2.085.845	436.476	2.008.049
The Central Bank of Turkey	-	-	-	-
Domestic banks	47.144	22.449	135.331	215.459
Foreign banks	455.320	2.063.396	301.145	1.792.590
Branches and head office abroad	-	-	-	-
Other financial institutions	230.094	4.009.439	-	3.592.263
<b>Total (1)</b>	<b>732.558</b>	<b>6.095.284</b>	<b>436.476</b>	<b>5.600.312</b>

(1) Commissions given to Banks and Other Institutions have been included to interest expense on funds borrowed.

**2.b Information on interest expense to associates and subsidiaries:**

The Bank has no interest expense to its associates and subsidiaries (September 30, 2024: None).

**2.c Information on interest expense to securities issued:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued (1)	-	3.619.002	-	2.540.061

(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 to be Disclosed to the Public by Banks and the Related Explanations and Notes.

**4. Information on net trading income (net)**

	Current Period	Prior Period
<b>Profit</b>	<b>16.648.731</b>	<b>38.717.073</b>
Gains on capital market operations	271.511	91.643
Gains on derivative financial instruments (1)	6.964.633	3.881.470
Foreign exchange gains	9.412.587	34.743.960
<b>Losses (-)</b>	<b>(17.036.174)</b>	<b>(40.437.888)</b>
Losses on capital market operations	(21.986)	(24.120)
Losses on derivative financial instruments (1)	(15.507.965)	(5.801.328)
Foreign exchange losses	(1.506.223)	(34.612.440)

(1) Foreign exchange gain from derivative transactions amounting to TL 1.865.754 is presented in "Gains on derivative financial instruments" (September 30, 2024: TL 1.275.451), foreign exchange loss from derivative transactions amounting to TL (10.476.229) is presented in "Losses on derivative financial instruments" (September 30, 2024: TL (3.306.164)).



**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)****EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and disclosures related to the income statement (continued)****5. Explanation related to other operating income**

	Current Period	Prior Period
Provisions Released	1.641.187	279.779
Gains on Sale of Assets	13.023	524
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	13.023	524
From Other Asset Sales	-	-
Other	914.471	263.928
<b>Total</b>	<b>2.568.681</b>	<b>544.231</b>

(1) ) It includes the cancellation of free provisions set aside for potential risks amounting to 750.000 TL as of the balance sheet date. (September 30, 2024: None).

**6. Expected credit loss of the Bank**

	Current Period	Prior Period
Expected Credit Loss	1.759.175	643.716
12 Months Expected Credit Loss (Stage 1) (1)	166.003	(225.274)
Significant Increase in Credit Risk (Stage 2)	1.414.442	598.253
Non-performing Loans (Stage 3)	178.730	270.737
Marketable Securities Impairment Expenses	2.499	1.944
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.499	1.944
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other	70.000	-
<b>Total</b>	<b>1.831.674</b>	<b>645.660</b>

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

**7. Information related to other operating expenses**

	Current Period	Prior Period
Reserve for employee termination benefits	19.887	10.209
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	52.832	48.616
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	6.821	2.035
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	-	-
Depreciation expenses of assets for resale	-	-
Impairment expenses of assets held for sale	-	-
Other operating expenses	321.454	202.538
Leasing Expenses on TFRS 16 Exceptions	11.158	8.603
Maintenance expenses	4.073	2.958
Advertisement expenses	6.898	4.333
Other expenses (1)	299.325	186.644
Loss on sale of assets	-	-
Other (2)	192.855	199.894
<b>Total</b>	<b>593.849</b>	<b>463.292</b>

(1) Includes non-bank service expenses of TL 141.182, computer usage expenses of TL 52.912, and communication expenses of TL 29.980 (September 30, 2024: Includes non-bank service expenses of TL 75.007, computer usage expenses of TL 38.702, and communication expenses of TL 22.643).

(2) Includes tax and duty expenses excluding corporate tax in the amount of TL 71.473; permit provisions expenses in the amount of TL 23.483 (September 30, 2024: Includes tax and duty expenses excluding corporate tax in the amount of TL 118.387; permit provisions expenses in the amount of TL 16.305).

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**8. Information on tax provision for continued and discontinued operations**

Income items for the period ending on September 30, 2025 include net interest income of TL 11.964.965 (September 30, 2024: TL 11.096.797), net fee and commission income of TL 301.975 (September 30, 2024: TL 412.602) and other operating income of TL 2.568.681 (September 30, 2024: TL 544.231).

The Bank's pre-tax profit as of September 30, 2025 increased by 27,92% compared to the previous period's pre-tax profit. The Bank's net interest income increased by 7,82% compared to the previous period.

**9. Explanations on net profit/loss from continued and discontinued operations**

**9.a Information on current tax charge or benefit and deferred tax charge or benefit:**

The Bank has amounting to TL 3.448.424 current tax expense for the period (September 30, 2024: TL 2.088.605). Deferred tax income is TL 655.755 (September 30, 2024: TL 317.809)

**9.b Information related to deferred tax benefit or charge on temporary differences:**

Deferred tax income calculated on temporary differences is TL 655.755 (September 30, 2024: TL 317.809 expense).

**9.c Information related to deferred tax benefit / charge on temporary differences, losses, tax deductions and exceptions:**

None. (September 30, 2024: None).

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

As of September 30, 2025, the Bank's profit before tax has increased by 31,98% compared to the prior period.

**11. Information on net profit/loss**

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

Due to ordinary banking transactions, the Bank received interest income of TL 25.529.935 interest expenses of TL, 13.564.970 net fee and commission income of TL 301.975 (September 30, 2024: interest income of TL 21.269.805, interest expenses of TL 10.173.008, net fee and commission income of TL 412.602).

**11.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:**

There has no change in the accounting estimates and accordingly effect on the financial statement items.

**11.c Minority share of profit and loss:**

There is no profit and loss attributable to minority interest in the accompanying unconsolidated financial statements (September 30, 2024: None)

**12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:**

None other than other operating expense explained in Note IV.6, exceeds 10% of the income statement.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**
**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**V. Explanations on the risk group of the Bank**
**1. Information on the volume of transactions related to the Bank's own risk group, outstanding loan and deposit transactions and income and expenses of the period**
**1.a Current Period:**

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	2.197.707	2.077	307.580	-	5.100.647	347.083
Balance at End of Period	2.101.459	2	118.528	-	5.812.040	7.383.233
Interest and Commission Income	175.617	4.103	14.310	-	424.956	29.409

**1.b Prior Period:**

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	2.325.017	2	597.442	-	2.143.440	402.170
Balance at End of Period	2.197.707	2.077	307.580	-	5.100.647	347.083
Interest and Commission Income	144.038	4.267	37.910	-	275.520	4.477

**1.c Information on deposit held by Bank's own risk group:**

The Bank is not authorized to accept deposits.

**2. Information on forward, option and other similar agreements made with Bank's own risk group**

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Fair Value Through Profit or Loss Transactions</b>						
Beginning of the Period	982.300	1.114.465	-	-	-	-
End of the Period	536.259	982.300	-	-	178.663	-
Total Profit / Loss (1)	(15.628)	(27.387)	-	-	136	1.900
<b>Hedging Risk Transactions</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss (1)	-	-	-	-	-	-

(1) Prior Period includes information about September 30, 2025

**3. Total salaries and similar benefits provided to the key management personnel**

Benefits provided to the key management personnel in the current period amount to TL 155.972 (September 30, 2024: TL 103.117).

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION FIVE (Continued)**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

In October, a Euro 300 million loan agreement was signed with Standard Chartered Bank, ING and BNP Paribas to finance climate change adaptation and resilience investments, with a partial guarantee from the International Bank for Reconstruction and Development (IBRD), a member of the World Bank Group, and a counter-guarantee from the Ministry of Treasury and Finance of the Republic of Turkey.

**SECTION SIX**

**LIMITED AUDIT REPORT**

**I. Explanations on the independent limited auditors' report**

The unconsolidated financial statements as of September 30, 2025, and for the period then ended have been subject to a limited review by PwC Independent Audit and Certified Public Accounting Inc., and the limited review report dated October 27, 2025, has been presented before the unconsolidated financial statements.

**II. Explanations and notes prepared by independent auditors**

There are no other explanations and notes not expressed in sections above related with the Bank's operations.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION SEVEN****INTERIM ACTIVITY REPORT****I. Interim Activity Report Containing Evaluations of the Bank's Chairman of the Board and CEO Regarding Interim Activities (Continued)****GENERAL INFORMATION**

<b>Board of Directors</b>				
<b>Name and Surname</b>	<b>Role</b>	<b>Term</b>	<b>Independent Member</b>	<b>Committees and Roles</b>
Hakan Aran	Board Chairperson	2024-2027	No	-
Ece Börü	Board Member	2024-2027	Yes*	Audit Committee Chair, Corporate Governance Committee Member, Sustainability Committee Member
Ozan Uyar	Board Member	2024-2027	No	Credit Revision Committee Member, Sustainability Committee Member, Risk Committee Member
Murat Bilgiç	Board Member	2024-2027	No	Credit Revision Committee Member, Sustainability Committee Member,
Banu Altun	Board Member	2024-2027	Yes*	Audit Committee Member, Remuneration Committee Chair, Credit Revision Committee Chair, Risk Committee Member
Murat Doğan	Board Member	2024-2027	No	Remuneration Committee Member, Credit Revision Committee Member, Sustainability Committee Member, Risk Committee Member
Dr. Ş. Nuray Duran	Board Member	2024-2027	No	Corporate Governance Committee Member
M. Sefa Pamuksuz	Board Member	2024-2027	Yes*	Corporate Governance Committee Chair
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 26 Board resolutions between January 1, 2025 and September 30, 2025. Board Members attended the meetings at a satisfactory level.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

**SECTION SEVEN (Continued)****INTERIM ACTIVITY REPORT(Continued)****I. Interim Activity Report Containing Evaluations of the Bank's Chairman of the Board and CEO Regarding Interim Activities (Continued)****GENERAL INFORMATION (Continued)****Senior Management and Directors**

<b>Name and Surname</b>	<b>Role</b>
Ozan Uyar	CEO, Board Member
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, Credit Operations
Özlem Bağdatlı	Executive Vice President - Corporate Banking Marketing, Corporate Banking Sales, Project Finance
Bilinç Tanağardı	Executive Vice President - Human Resources, Corporate Communications, Legal Affairs, Pension and Assistance Funds
Poyraz Koğacıoğlu	Executive Vice President - Application Development, System Support and Operation, Enterprise Architecture and Process Management, Procurement and Financial Affairs Management
S. Hüseyin Gürel	Executive Vice President - Advisory Services Sales, Financial and Technical Advisory, Credit Restructuring and Resolution, Engineering, Credit Allocation
Tolga Sert	Executive Vice President - Credit Portfolio Management and Analytics, Budget and Planning, Financial Control, Financial Analysis
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**

As of 31 July 2025, Mr. Murat Bilgiç resigned from his role to retire and was elected as a member of the Board of Directors on August 29, 2025. Having served as Executive Vice President for Loan Allocation, Financial Analysis and Loan Operations at TSKB since January 2025, Mr. Ozan Uyar was appointed as TSKB CEO on August 1, 2025, replacing Mr. Murat Bilgiç. Mr. Uyar is also a natural member of the Board of Directors of TSKB. The resumes of Mr. Uyar and Mr. Bilgiç are available on the Bank's corporate website.

# **TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

## **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

### **SECTION SEVEN (Continued)**

#### **INTERIM ACTIVITY REPORT(Continued)**

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

##### **ASSESSMENTS OF THE BOARD CHAIRPERSON FOR THE PERIOD**

In the third quarter of 2025, uncertainty in global trade policies receded as a result of trade agreements signed between countries and the new tariff rates introduced by the U.S. in August. On the other hand, trade negotiations between the U.S. and China continue to make an impact on the economic outlook and financial markets. In this period, global economic activity recovered slightly, while divergence among countries continued. In its World Economic Outlook Report for October, the International Monetary Fund (IMF) pointed out that despite the resilient outlook in the first half of 2025, economic activity would slow down in the upcoming period. The IMF expects the global economy to grow by %3,2 and %3,1 in 2025 and 2026 respectively, following a growth of %3,3 in 2024. While the main reasons for this slowdown include policy uncertainties and rising protectionism, the decline in global headline inflation is expected to decelerate by 2026. In the coming period, the economic policies to be implemented by developed countries, particularly the U.S. and China, as well as the geopolitical agenda and developments in the field of artificial intelligence are expected to make a continued and decisive impact on global economic activity.

In the Turkish economy, growth figures hint at some acceleration in the second quarter of 2025, while preliminary data for the third quarter suggest that economic activity has followed a relatively flat course in recent months. Main trend indicators point out to a slowdown in disinflation in the third quarter of 2025. The Central Bank of the Republic of Türkiye (CBRT) continued to cut interest rates, which it had resumed in July, at a slower pace in September. The impact of the slowdown in disinflation and the course of inflation expectations on the CBRT's rate cut cycle is closely monitored.

The banking sector continues to operate with a level of resilience and flexibility to adapt to any emerging conditions. The monitoring of the contribution of the interest rate cut cycle to the net interest margin has started as of the third quarter, and this improvement is expected to become more evident in the coming quarters. In the third quarter of 2025, total loans increased by %21,8 in TL terms on a currency-adjusted basis compared to the beginning of the year. Non-performing loan inflows in the sector continued in the third quarter, mainly in retail and SME loans. This can be managed by the banking sector, which is dynamic with strong reserves.

TSKB continues to be a pioneering and effective actor in the field of development and investment banking thanks to its differentiated business model and risk profile. The Bank's healthy asset quality and strong capital form the basis of its growth strategy and projections. Having achieved solid financial and operational results in the first nine months of the year on its mission for development, our Bank will steadily sustain its multidimensional support to Türkiye's sustainable and inclusive economic growth through its development focus in the remainder of the year.

Sincerely,

Hakan Aran

Chairman of the Board

# **TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

## **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

### **SECTION SEVEN (Continued)**

#### **INTERIM ACTIVITY REPORT(Continued)**

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

##### **ASSESSMENTS OF THE CEO FOR THE PERIOD**

We left behind the third quarter of 2025, displaying a strong performance satisfying our year-end targets in line with our country's multidimensional development goals and our sustainability vision. In addition to the layered impact and lasting value we create through our corporate banking, advisory and investment banking operations, we are also devoted to sustaining our inclusiveness projects with a particular focus on the earthquake region.

In the first three quarters of 2025, the long-term cash financing support we extended to the Turkish economy reached USD 1,5 billion, with a currency adjusted growth rate of %5,6. Loan disbursement operations mainly focused on climate and earthquake financing, renewable energy including storage investments, energy and resource efficiency, capacity increase in the manufacturing sector, and investments strengthening women and youth employment.

In line with our growth strategy, we continue to enrich our strong and diversified funding structure. To this end, our year-to-date funding totaled USD 1,1 billion. In addition to the funding agreements amounting to approximately USD 400 million signed with four development finance institutions in the first six months of the year, we issued a 5-year bond worth USD 350 million in international markets in June. We will also sign additional and innovative agreements with development finance institutions by the end of the year. In July, we diversified the maturity structure of our syndicated loan by adding new tranches with a maturity of 734 days in addition to the 367-day tranches. Secured with the participation of 16 international banks, our syndicated loan was worth a total of USD 238 million and has been successfully renewed at a roll-over ratio of %120.

In the first nine months of 2025, we displayed a performance satisfying both our year-end targets and our mission to support sustainable development in line with the green, social and digital transformation of our country. Our Bank's total assets increased by %32 to TL 305,5 billion, while our loan portfolio rose by %31 to TL 217,9 billion. Our loans to assets ratio stood at %71, and the ratio of SDG-linked loans within the total portfolio was %93.

Following the first capital investment by Türkiye Green Fund in the previous quarter, we continue to review new projects focusing on emissions reduction and inclusive transformation in a bid to find and realize additional projects. Recently, we have successfully completed one of our IPO projects on the investment banking side. With the contribution of increased advisory and non-cash commissions, we increased our total net commission income by %54 quarter on quarter. In addition, our affiliates continued to support our revenues through their strong operations. Our sustainable profitability performance continued to support capital adequacy ratios, which are already well above the legal requirements. In the first 9 months, our net income for the period reached TL 9,3 billion, and we achieved a return on equity ratio of %31,2 in line with our year-end targets.

In this special year marking our 75th anniversary, we launched the TSKB 75th Year Kindergarten Project in line with our goal to create lasting social value. As part of this project launched to increase children's access to early education and contribute to women's employment, we opened a total of seven kindergarten classes in Kars, Kilis, Malatya and Elazığ since February.

The results we achieved in the first 9 months support our year-end targets. In the rest of the year, acting in line with our vision of inclusive and sustainable development banking, we will continue to accompany our customers on their green and inclusive transformation journeys in corporate banking, advisory services and investment banking by further strengthening their competitiveness, offering innovative solutions to our stakeholders and creating multidimensional value for the future of our country.

Sincerely,

Ozan Uyar

CEO



# **TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

## **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

### **SECTION SEVEN (Continued)**

#### **INTERIM ACTIVITY REPORT(Continued)**

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

#### **ECONOMIC HIGHLIGHTS FROM THE INTERIM PERIOD**

##### **Economic Highlights from Q3 2025**

While global economic activity recovered albeit in a limited fashion in the third quarter of 2025, countries continue to diverge. In the third quarter of 2025, uncertainty in global trade policies receded as a result of trade agreements signed between countries and the new tariff rates introduced by the U.S. in August. The ongoing trade negotiations between the U.S. and China remain critical for both the economic outlook and the markets. As reflected in the latest projections of the IMF and the World Trade Organization, global trade volume and growth rates are expected to slow down in the coming period. Global risk appetite remained high in the third quarter, supported by reduced policy uncertainties and developments in artificial intelligence. Despite above-target inflation, the U.S. Federal Reserve (Fed) cut interest rates for the first time this year in September due to the weak employment data, additionally signaling that there may be two additional rate cuts by the end of the year. Furthermore, rising expectations for interest rate cuts have recently served as a factor supporting the markets. Precious metal prices rose on the back of relatively weak confidence in the U.S. dollar, geopolitical uncertainties and expectations that the Fed will continue to cut interest rates.

In the second quarter of 2025, the Turkish economy accelerated narrowly, and the balance of payments equilibrium deteriorated slightly in the second quarter. Domestic demand drove growth, while net external demand made a negative contribution to growth in the second quarter of 2025. In Türkiye, preliminary data for the third quarter of 2025 points out to a relatively flat course in economic activity. According to seasonally- and calendar-adjusted data, industrial production followed a course close to the second quarter average in July and August. Retail sales contracted by %0,1 in July but then posted a limited increase of %0,9 in August. According to seasonally-adjusted figures, unemployment rate stood at %8,5 in August, while indicators for broadly defined unemployment recovered slightly. Following 46,7 in June, the manufacturing purchasing managers' index (PMI) followed a fluctuating course and closed at 46,7 in September, still remaining in the contraction zone. Capacity utilization rate declined in the last three months, while sectoral confidence indices fluctuated.

In the third quarter, the balance of payments equilibrium remained almost flat. While exports continued to recover, imports lost some momentum. Preliminary data from the Ministry of Trade shows that exports increased by %4,1 in the first nine months of the year compared to the same period in 2024, while imports rose by %5,9. Therefore, the foreign trade deficit increased from USD 60,0 billion in January-September 2024 to USD 67,0 billion in January-September 2025. Despite the rise in services revenues, developments on the revenues side made a negative contribution to the current account balance. The 12-month total current account deficit went down from USD 19,2 billion in June 2025 to USD 18,3 billion in August 2025.

Main trend indicators point out to a slowdown in disinflation in the third quarter of 2025. Annual inflation in the headline consumer price index (CPI) fell to %33,3 in September 2025 from %35,0 in June 2025. During the same period, the annual inflation rate in the general domestic producer price index (D-PPI) increased from %24,5 to %26,6. In August and September, inflation came in above the forecasts, while the improvement in expectations channel stalled. CBRT resumed the interest rate cut process in July and continued to cut interest rates in September, albeit at a reduced step size. Due to the recent higher-than-expected data, rigidity in expectations and increased upside risks on inflation, CBRT is expected to follow a more cautious path, although it will continue to cut interest rates.

# **TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

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### **SECTION SEVEN (Continued)**

#### **INTERIM ACTIVITY REPORT(Continued)**

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

#### **ECONOMIC HIGHLIGHTS FROM THE INTERIM PERIOD (Continued)**

##### **Banking Sector**

In the third quarter of 2025, total loans increased by %21,8 in TL terms on a currency-adjusted basis compared to the beginning of the year. According to BRSA's Weekly Bulletin, as of September 26, the sector's Turkish lira (TL) loans rose by %29,3, while foreign currency (FX) loans grew by an FX-adjusted %9,2.

In the first nine months of 2025, total corporate loans rose by %18,6, an increase primarily propelled by the growth in TL corporate loans. Adjusted for the exchange rate effect, SME loans increased by %28, while corporate loans excluding SMEs increased by %13,6. SME loans grew by %7,8 in state-owned banks and by %29,5 in private banks.

NPLs in the sector increased by %70,2 year to date in nominal terms, with the NPL ratio standing at %2,27 owing to the contribution of the increase in total loans and the impact of asset write-offs and portfolio sales. NPLs increased by 51 bps in the third quarter of the year due to the 39 bps negative contribution of the increase in performing loans, 17 bps negative contribution from the exchange rate effect and 107 bps positive contribution of NPL origination. NPLs in the sector reached TL 489 billion in the third quarter of 2025. This increase is attributable to retail loans and SME loans. The NPL ratio in retail loans rose from %2,83 to %3,90 due to the %84,4 increase in NPL formation in retail loans. The NPL ratio in corporate loans excluding SMEs stood at %1,17, similar to end-2024 levels. The NPL ratio in SME loans rose from %2 to %2,88 due to the %84,3 increase in non-performing loans.

In the first nine months of 2025, TL deposits in the sector increased by %23,8 in nominal terms, while FX deposits rose by %44,5. Currency-adjusted FX deposits surged by %15,5 compared to year-end.

#### **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.

# **TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

## **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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### **SECTION SEVEN (Continued)**

#### **INTERIM ACTIVITY REPORT(Continued)**

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

##### **HIGHLIGHTS FROM THE BANK'S OPERATIONS IN THE INTERIM PERIOD**

In the second half of 2025, TSKB continued to engage in major financing agreements, entrepreneurship projects and social impact-oriented activities in line with its growth strategy focusing on sustainable development.

Under its growth strategy, the Bank continued to support its strong liquidity through its funding operations. In July, the Bank diversified the maturity structure of its syndicated loan by adding new tranches with a maturity of 734 days in addition to the 367-day tranches. Secured with the participation of 16 international banks, the Bank's syndicated loan worth a total of USD 238 million has been successfully renewed at a roll-over ratio of %120.

In the same period, TSKB took its first comprehensive step to strengthen the entrepreneurship ecosystem through the 'TSKB Co-Venture' program launched in cooperation with the Turkish Entrepreneurship Foundation. Startups having women in their founding team and/or among their employees and affected by February 6 earthquakes will be prioritized in this program, which aims to create a long-term and constructive support model for young entrepreneurs.

Standing out with projects that strengthen its focus on social good, TSKB launched the 'TSKB 75th Year Kindergarten Project' in line with its goal of creating lasting social value in this special year when it celebrates its 75th anniversary. As part of this project launched to increase children's access to early education and contribute to women's employment, the Bank opened a total of seven kindergarten classes in Kars, Kilis, Malatya and Elazığ since February. Published in June, the New Earthquake Report titled 'Standing Up for the Future: A People-Oriented Breakthrough for Social Transformation in the Earthquake Region' drew attention to the decline in women's employment in the earthquake region and emphasized the importance of investments observing gender equality.

##### **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/en/Bildirim/1396915>, <https://www.kap.org.tr/en/Bildirim/1396916> and <https://www.kap.org.tr/en/Bildirim/1396914> respectively.

# **TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

## **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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### **SECTION SEVEN (Continued)**

#### **INTERIM ACTIVITY REPORT(Continued)**

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

##### **FINANCIAL HIGHLIGHTS FROM THE INTERIM PERIOD**

The summary for the Bank's main financial indicators as of September 30, 2025 is provided below:

Total assets surged by %38 year on year and by %32 compared to end-2024, reaching TL 305,5 billion.

As of end-September, the total loan portfolio reached TL 217,9 billion, exhibiting an increase of %31 year-on-year, %31 compared to the end of 2024 and %5,6 in FX-adjusted terms. The loans to assets ratio stands at %71. The ratio of non-performing loans to total loans stood at %0,9 as of the end of September.

The shareholders' equity reached TL 42,7 billion, marking a %46 increase year on year and an %31 increase compared to end-2024. The capital adequacy ratio, which stood at %26,9 by the end of 2024, was %25,2 as of the end of September.

In the first 9 months of 2025, net interest income increased by %8 year on year to stand at TL 11.965 million, while the income from fees and commissions shrank by %27 to TL 302 million. The cost-to-income ratio stood at %13,8 by the end of 2024 before rising to %17 in the first nine months of 2025.

In the first nine months of the year, net income saw an increase of %32 year-on-year, reaching TL 9.285 million.

Return on equity was %38,5 by the end of 2024 and stood at %31,2 in the first nine months of 2025.

The return on assets ratio stood at %4,9 at end-2024 and at %4,3 in the first nine months of 2025.

##### **Forward-Looking Expectations**

TSKB publicly shared its expectations for 2025 through the presentation on financial results published on the Public Disclosure Platform.

##### **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.

##### **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>