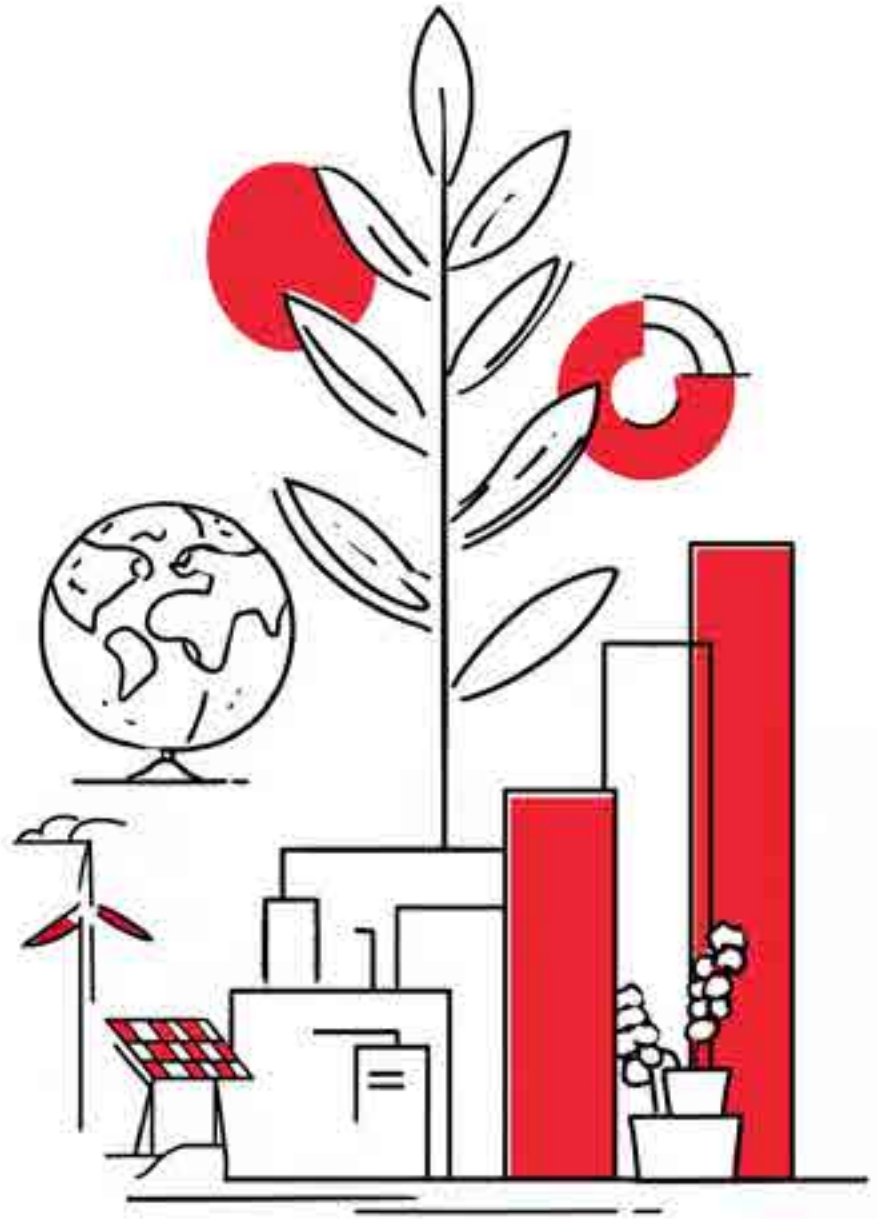


2025

Integrated Annual Report 2025

TSKB



CONTENTS

12	About the Report

TSKB AT A GLANCE

16	Corporate Profile
18	Value Creation Model
20	Key Financial Performance Indicators and Ratios
22	Message from the Chairperson
24	Message from the CEO
26	Message from the Sustainability Leader

STRATEGY, PERFORMANCE, AND INSIGHTS

STRATEGIC PLAN

32	TSKB's Strategic Plan
34	External Factors
44	Stakeholder Engagement and Double Materiality Analysis
50	Governance Model
59	TSKB Sustainability Journey

CAPITALS

68	Financial Capital
92	Natural Capital
130	Social Capital
144	Human Capital
156	Intellectual and Manufactured Capital

CORPORATE GOVERNANCE AND RISK MANAGEMENT

170	Board of Directors
174	Senior Management
176	Directors
177	Corporate Governance Compliance Report
181	Dividend Distribution Proposal
182	Summary Report of the Board of Directors
183	Other Major Updates on Corporate Operations
184	Risk Management Policies
186	Audit Committee
187	Audit Committee Report
190	Advisory Committee
191	General Assembly Agenda
192	Declaration of Independence
193	Statement of Responsibility

TSRS-ALIGNED SUSTAINABILITY REPORT

196	Compliance Opinion on the TSRS Report
198	About the Report
204	Governance
207	Strategy
222	Risk Management
224	Metrics and Targets

COMPLIANCE OPINIONS

238	Independent Auditor's Report on the Annual Report of the Board of Directors
240	Integrated Annual Report Limited Assurance Report
244	Industrial Development Bank of Türkiye (TSKB) Integrated Annual Report 2025 - Reporting Principles
258	ISO 14001 Audit Certificate
259	ISO 14064 Audit Certificate
260	ISO 27001 Audit Certificate
261	ISO 45001 Audit Certificate

APPENDICES

264	SASB Index
265	TPT Index
266	UNEP FI Principles for Responsible Banking Progress Statement
268	GRI Content Index
272	UNGC and WEPs Indices
274	WEF Stakeholder Capitalism Index

FINANCIAL STATEMENTS

277	Unconsolidated Statements and Independent Audit Report
365	Consolidated Statements and Independent Audit Report

MULTIDIMENSIONAL DEVELOPMENT SPANNING 75 YEARS

As Türkiye's first privately owned development and investment bank, we leverage over 75 years of deep knowledge and experience into projects that support our country's transition to a sustainable future. Through distinctive and pioneering projects implemented with a people-centered approach, we have contributed to Türkiye's development since our establishment.

Since 1950, drawing on the strength of our long-standing relationships with national and international stakeholders, we have provided our business partners with services in corporate banking, investment banking, and advisory.

While contributing to Türkiye's production capacity, its triple transformation, and the achievement of inclusive development goals, we act as a driving force for sustainable development by means of initiatives in renewable energy, social investments, women's and youth employment, innovative financing models, and the circular economy.

IMPACT-DRIVEN ACTIONS SUPPORTED BY STRONG FINANCIALS

In 2025, as we further strengthened our financial performance, we enhanced our impact in advancing inclusive and sustainable development. During this period, our total assets reached TL 326.7 billion, while our loan portfolio grew by 11.2% on a currency-adjusted basis to TL 235.9 billion. Loans linked to the Sustainable Development Goals (SDGs) accounted for 92.3% of our total loan portfolio, while those contributing to climate- and environment-related SDGs represented 59.2%.

Throughout the year, in line with our growth strategy, we continued to support our strong liquidity by means of funding activities. Through our syndication loans, Eurobond issuances, and private placements, we secured USD 1.8 billion in funding from development finance institutions and financial organizations, marking a historical high for TSKB. In line with these developments, we also increased our sustainable finance targets, raising our SDG-linked financing target to USD 15 billion by 2030 and our climate finance target to USD 5 billion. In addition, we set a new social finance target of USD 3 billion for the 2024–2030 period. By enabling the first investment of the Türkiye Green Fund, we mobilized private sector capital through tangible steps to accelerate the growth of companies aligned with Türkiye's sustainable development objectives.



SUSTAINABLE FINANCE WITH INCLUSIVE THEMES

We provide long-term financing to investments that support Türkiye's economic and social development, particularly in the fight against climate change. In 2025, we contributed approximately USD 2 billion to the Turkish economy through our long-term cash loans. Key investment themes financed during the year included renewable energy, hybrid renewable power plants, energy and resource efficiency, energy storage, and capacity expansion, as well as advanced technology investments, infrastructure investments, and prosumer investments. In terms of social impact, we continued to provide support to earthquake-affected regions as well as to projects promoting inclusiveness.

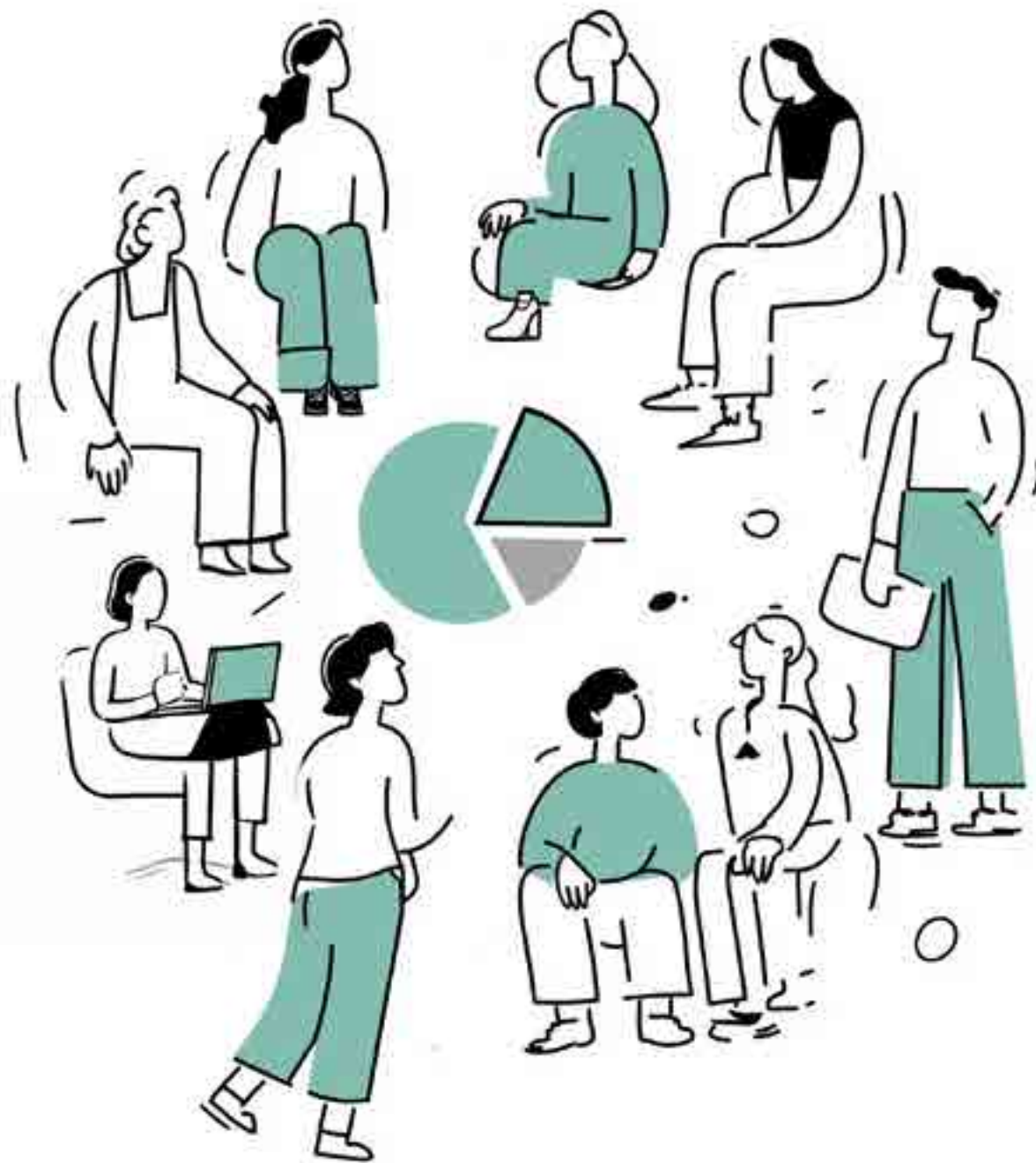
Having financed 14% of Türkiye's renewable energy installed capacity and supported energy efficiency investments since the 2010s, we play a leading role not only through mitigation loans, but also through investments in climate adaptation and the circular economy, thus contributing to the broader fight against climate change.



STRONG ENVIRONMENTAL, SOCIAL, AND GOVERNANCE STRUCTURE

The policies we implement, the standards we follow, and the ethical principles upheld at the Board of Directors level are recognized with consistently high rankings on prestigious international lists and strong ratings.

As of the end of 2025, our Bank received an ESG Risk Rating of 7.4 from Sustainalytics, ranking 9th among 90 global banks and 12th among 1,012 international banks. We also entered the Global 100 Most Sustainable Corporations in the World list, published annually by Corporate Knights, for the second time, rising to 37th place. As the only Turkish bank on the list, we ranked first among the four international banks included. According to the Sustainable Fitch assessment, our Bank achieved a score above both the EMEA region and global averages, ranking first in Türkiye and becoming the only Turkish bank placed in the second performance category.



OUR PRIORITIES IN SUSTAINABLE DEVELOPMENT: PEOPLE, NATURE AND BIODIVERSITY

Adopting the “twin crisis” approach, which addresses climate change and nature loss together, we expanded our sustainability management perspective to include the nature dimension through the TSKB Nature and Biodiversity Policy, published in February 2026. Furthermore, we comprehensively reviewed and updated our Sustainability Policy set, which forms the foundation of our sustainability vision, as well as our List of Non-Financed Activities, with a focus on the protection and restoration of nature and biodiversity.

In addition to agreements signed to increase youth and women’s employment and reduce inequalities, we carried out equality and inclusion initiatives with the Bank’s employees, our suppliers, and customers. Through our Gender Equality Certification Program and Inclusive Language Guide, we continued to strengthen our impact in this area.



TSKB'S IMPACT IN SOCIAL AND CULTURAL DEVELOPMENT

For more than 75 years, we have approached development from a multi-dimensional perspective, evaluating our financial performance alongside our journey toward social and cultural progress. Accordingly, in 2025, as we celebrated the 75th anniversary of our Bank, we further deepened our projects focused on environment, people, and culture, thereby expanding our sphere of impact.

In line with our vision of an inclusive and sustainable future, we consistently strive to create lasting and transformative value for society across a broad ecosystem, ranging from education to the arts and from environmental initiatives to entrepreneurship.



ABOUT THE REPORT

Integrated Reporting and Other Relevant Frameworks and Standards

The 2025 Integrated Annual Report of TSKB, which also incorporates the Bank's TSRS-aligned Sustainability Report, has been prepared on a capital-based approach in line with the Integrated Reporting Framework developed by the Value Reporting Foundation under the IFRS Foundation, in conjunction with SASB. Under each capital element, the relevant outputs and impacts of the Bank's value creation model are presented, while future targets are addressed in line with the principles of integrated thinking.

The Report also includes the United Nations Principles for Responsible Banking (PRB) Report, to which the Bank is a founding signatory. In the preparation of the report content, which is also aligned with GRI Standards, due consideration has been given to the requirements of the Ten Principles of the United Nations Global Compact (UNGC), of which the Bank became a signatory in 2010, as well as the Women's Empowerment Principles (WEPs). In addition, the Stakeholder Capitalism Metrics developed by the International Business Council under the World Economic Forum (WEF) have been taken into account throughout the reporting process.

The Bank presents its Transition Plan, as required to be disclosed under TSRS 2, in alignment with the framework of the Transition Plan Taskforce (TPT) under the IFRS Foundation.

Nature, Period and Scope of the Report

The 2025 Integrated Annual Report of TSKB, which presents the Bank's financial, environmental, social and governance performance for the period between January 1 and December 31, 2025, and includes the Board of Directors' Annual Report, has been prepared in compliance with the minimum reporting requirements of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board of Türkiye (CMB). The Bank does not have any operations abroad, and the Report covers its activities conducted in Türkiye.

Format of the Report

The 2025 Integrated Annual Report of TSKB, which also incorporates the TSRS-aligned Sustainability Report, has been prepared and published in electronic format in line with an environmentally responsible approach. The Report is available on the Public Disclosure Platform (KAP) and at www.tskb.com.tr

Assurance

With respect to the information presented in the 2025 Integrated Annual Report of TSKB, which incorporates the TSRS-aligned Sustainability Report, an Independent Auditor's Report on the Board of Directors' Annual Report and a Limited Assurance Report issued by the independent auditor on the disclosures presented under the Turkish Sustainability Reporting Standards have been provided by PwC Bağımsız Denetim ve SMMM A.Ş. and included in the Report. In addition, audit services have been obtained from TÜV SÜD within the scope of ISO 14001 for the Sustainability Management System and ISO 14064-1 for the calculation and verification of direct and indirect greenhouse gas emissions arising from operational activities.

Senior Management Statement

The financial and non-financial information, targets and key performance indicators presented in the 2025 Integrated Annual Report of TSKB, which incorporates the TSRS-aligned Sustainability Report, are closely monitored by the senior management in line with the Bank's strategy. The related Statement of Responsibility is provided on page 193.

2025 Stakeholder Set

In addition to the 2025 Integrated Annual Report of TSKB, which incorporates the TSRS-aligned Sustainability Report, other key reports and presentations published in 2025 and/or presenting the Bank's 2025 performance are provided below for the information of stakeholders.



2025 CDP Report



2025 Allocation and Impact Reporting

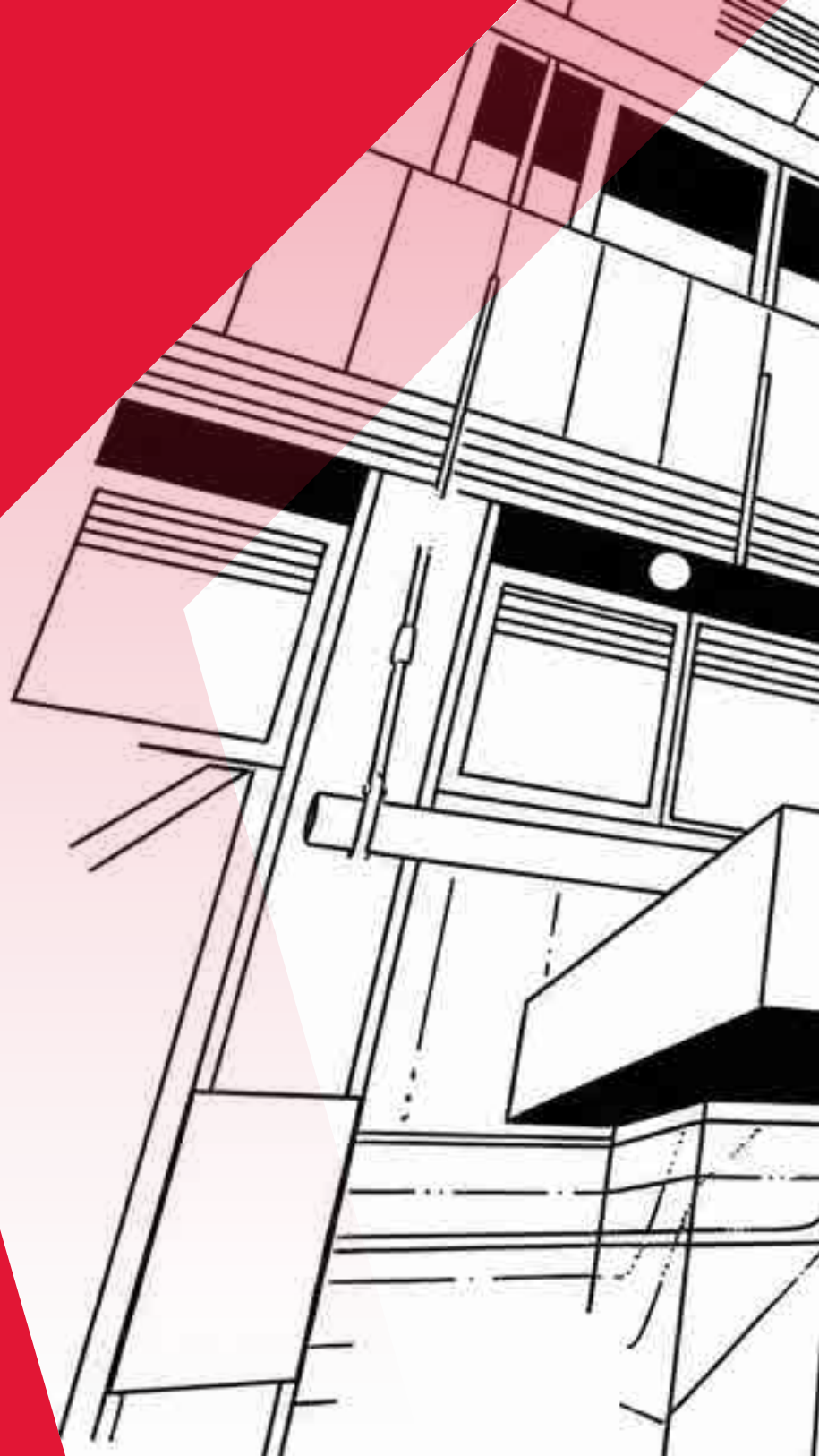


2025 Investor Relations Presentation

TSKB AT A GLANCE

- 16 Corporate Profile
- 18 Value Creation Model
- 20 Key Financial Performance Indicators and Ratios
- 22 Message from the Chairperson
- 24 Message from the CEO
- 26 Message from the Sustainability Leader

**THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT**



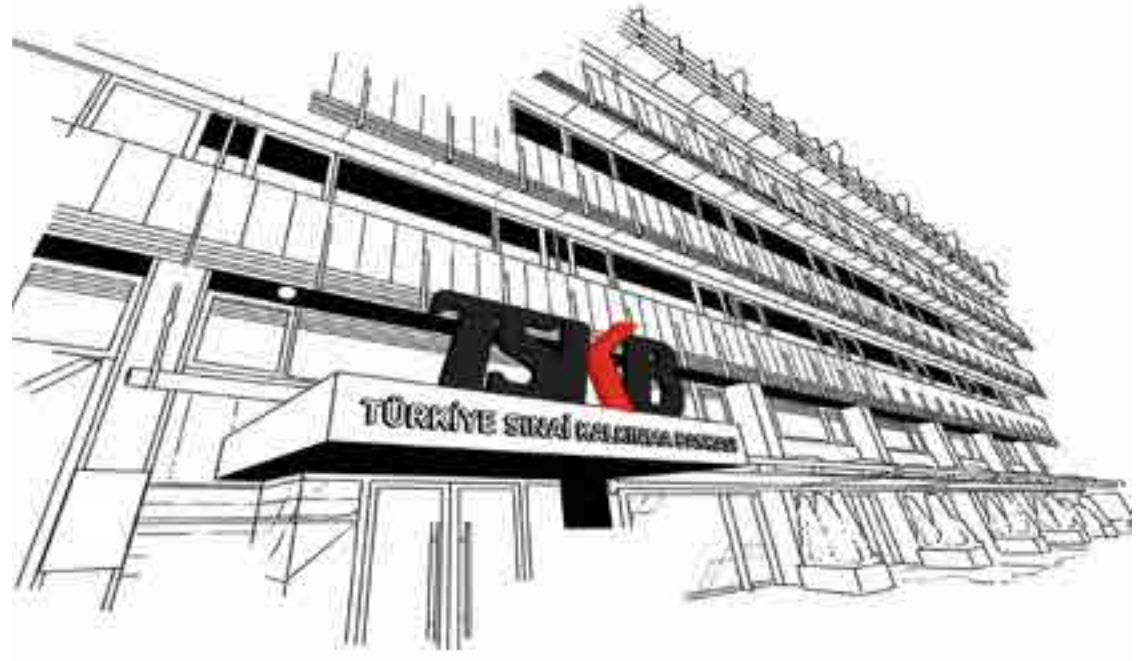


CORPORATE PROFILE

TSKB shares, which are publicly traded on Borsa Istanbul (BIST) Star Market under the ticker symbol “TSKB,” have a free float ratio of 40.78%.

As of year-end 2025, the Bank’s registered capital amounts to TL 7,500,000,000, while its paid-in capital stands at TL 2,800,000,000.

The shareholdings of the Chairperson and Members of the Board of Directors, the members of the Audit Committee, as well as the Chief Executive Officer and Executive Vice Presidents in the Bank are at negligible levels.



45.7

Total Shareholders’ Equity
(TL Billion)

828

Total Number of Employees
Including Subsidiaries

326.7

Total Assets
(TL Billion)

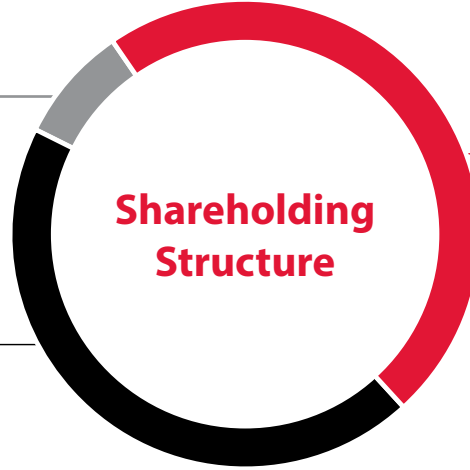
TSKB'S SHAREHOLDING STRUCTURE

Türkiye Vakıflar Bankası T.A.O.

8.38%

Free Float and Other

43.94%



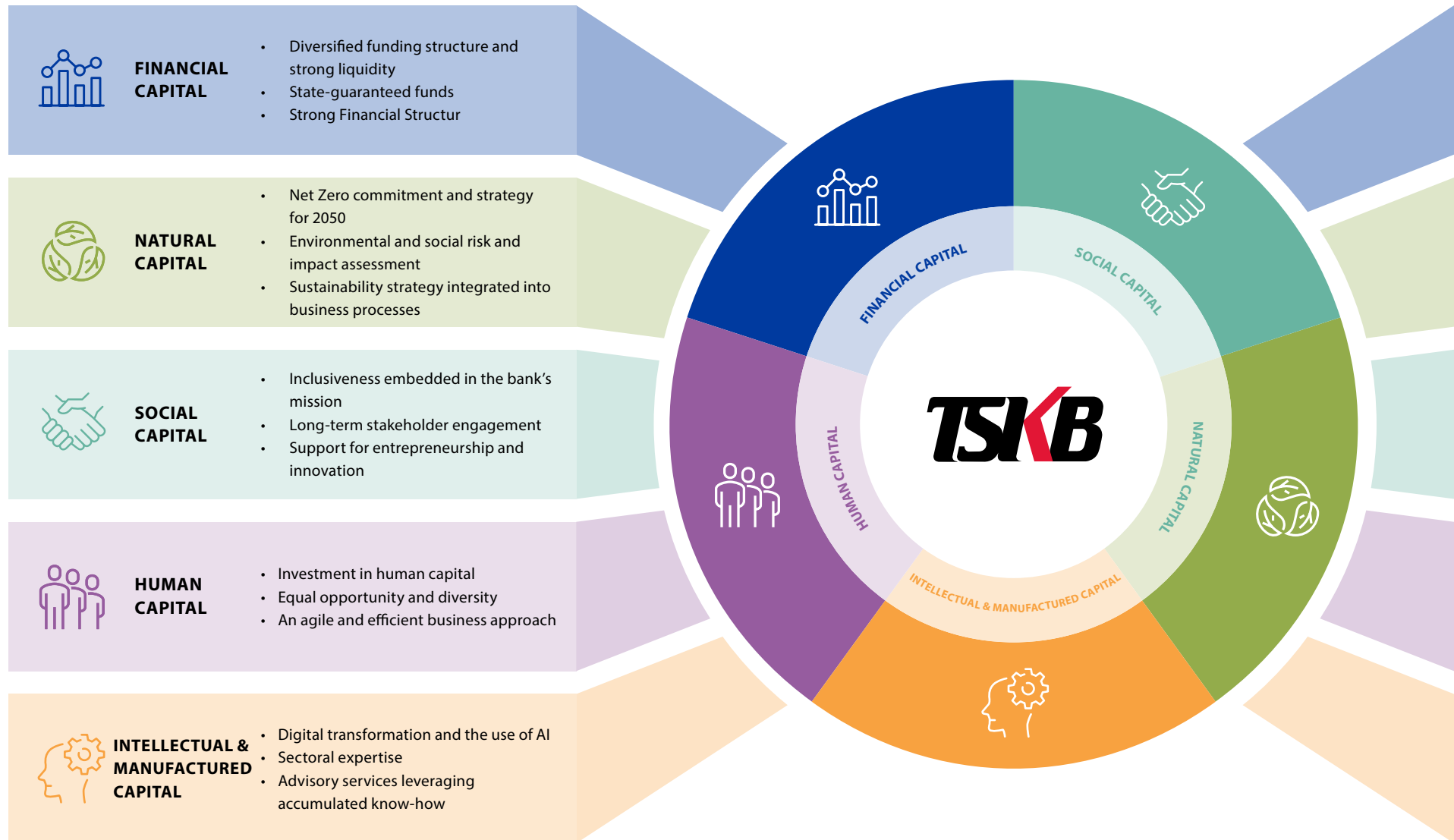
Türkiye İş Bankası

47.68%

TSKB'S SUBSIDIARIES



VALUE CREATION MODEL



← **INPUTS** →

- **5.6%** net interest margin
- **29.3%** return on equity
- **25.7%** capital adequacy ratio

92%
Share of SDG-linked loans in the total portfolio

- A new focus area introduced through the Nature and Biodiversity Policy
- A contribution of **15 million tons of CO₂** emissions reduction through renewable energy projects financed by the bank
- New Theme: Adaptation Investments

59%
Share of loans contributing to climate- and environment-related SDGs

- Impact report on women's employment projects
- Raising awareness on equal opportunity through the "Equal Steps" initiative
- 11 Libraries in 11 Provinces and Kindergarten Classrooms Projects

Additional ~1,500 women employed through the 2016 and 2019 Women's Empowerment Loan Agreements

- Women representation in management at **53%**
- Women representation on the board of directors at **27 %**
- Gender pay gap at **0.06**

52%
Women representation across the Bank

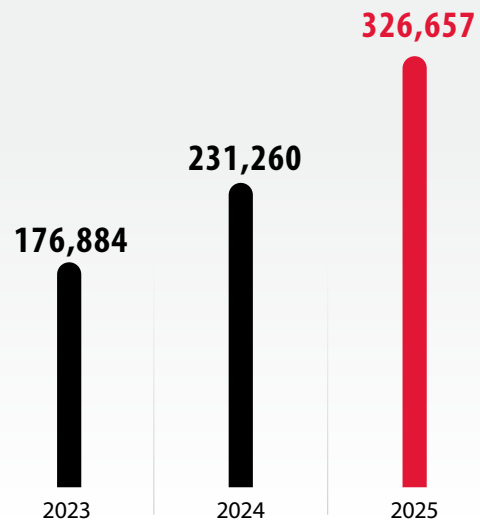
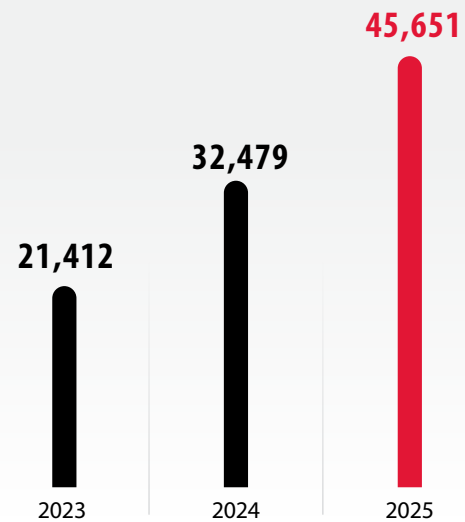
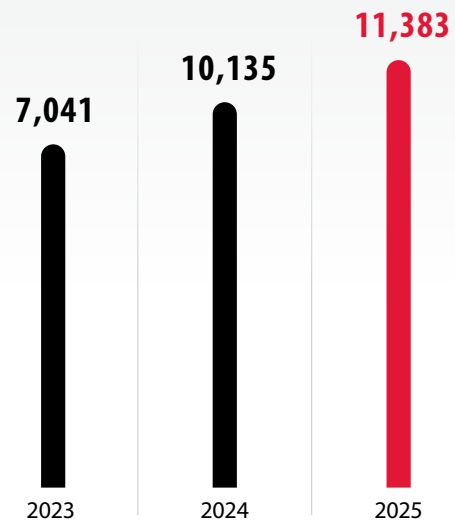
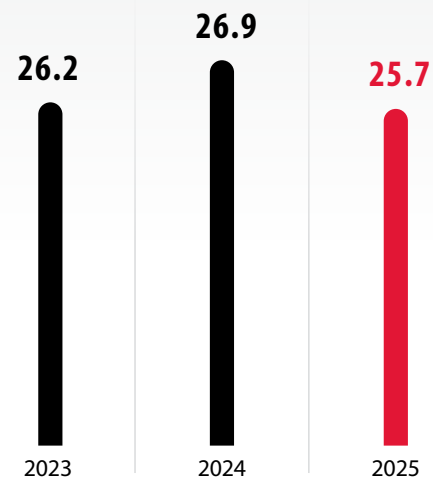
- TSKB Advisory Services Net Promoter Score at **9.5/10**
- Number of TSKB Economic Research reports at **434**
- Over **65,000** electronic and printed books and articles in the TSKB Library

120+
Number of RPA Processes deployed into production

KEY FINANCIAL PERFORMANCE INDICATORS AND RATIOS

In 2025, TSKB's total assets reached TL 326,657 million, while its net profit amounted to TL 11,383 million.

Indicators	2021	2022	2023	2024	2025
Total Assets (TL million)	84,096	115,575	176,884	231,260	326,657
Total Loans (TL million)	63,905	80,274	130,137	166,418	235,880
Shareholders' Equity (TL million)	6,941	12,782	21,412	32,479	45,651
Net Profit (TL million)	1,089	4,055	7,041	10,135	11,383
Return on Equity (%)	16.7	41.1	41.2	38.5	29.3
Return on Assets (%)	1.6	4.1	4.8	4.9	4.0
Capital Adequacy Ratio (%)	20.8	22.4	26.2	26.9	25.7

Total Assets (TL million)**Shareholders' Equity (TL million)****Net Profit (TL million)****Capital Adequacy Ratio (%)**

45,651
TL MILLION

Shareholders' Equity

25.7%

Capital Adequacy Ratio

MESSAGE FROM THE CHAIRPERSON



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

HAKAN ARAN

Chairperson of the Board of Directors, TSKB

Esteemed Stakeholders,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yours sincerely,

HAKAN ARAN

Chairperson of the Board of Directors, TSKB



In line with the responsibility conferred by our deep-rooted, 76-year history and our mission in development banking, we resolutely continued to provide long-term loan support to projects contributing to Türkiye's sustainable development in 2025.

MESSAGE FROM THE CEO



SDG-linked loans comprise 92% of our loan portfolio, with nearly 60% allocated to climate- and environment-focused investments.

OZAN UYAR

Board Member and CEO

Dear Stakeholders,

In 2025, as we celebrated our Bank's 75th anniversary, we delivered a strong performance that positively differentiated us within our sector, aligned with our goals and consistent with Türkiye's multidimensional development objectives and our sustainability vision. During this period, we increased our total assets by 41% to TL 326.7 billion. While achieving an average growth of over 10% on a currency-adjusted basis over the past two years, we reached approximately USD 2 billion in new cash financing in 2025, supporting Türkiye's sustainable development. Our loan portfolio grew by 11.2% on a currency-adjusted basis, reaching TL 235.9 billion; 92% of our loan portfolio consists of SDG-linked loans, with nearly 60% of these loans directed toward climate- and environment-focused investments. Our Bank, which has maintained a return on equity above the sector average for the past three years, achieved a return on equity of 29.3% as of the end of 2025. During the same period, our capital adequacy ratio stood at 25.7%, and at 20.3% when excluding the temporary regulations introduced by the BRSA. Our strong performance in international financing also played a key role in achieving these results.

Strong Funding Base

In 2025, the record level of funding secured from international markets became one of the key drivers of our strong performance. Throughout the year, in addition to agreements signed with development finance institutions, we secured a total of USD 1.8 billion through syndication loans and bond issuances, marking a record in TSKB's history.

Building on long-standing, trust-based collaborations we have built with our stakeholders since our establishment, we signed six loan agreements with international financial institutions in 2025. In addition to EUR 300 million in climate mitigation-focused financing from the IBRD, we also worked on multidimensional climate finance themes, including USD 200 million in financing from the AIIB for digital infrastructure investments. Furthermore, we secured EUR 250 million from KfW Development Bank, EUR 75 million from the EBRD, and EUR 50 million from the OPEC Fund.

In 2025, 92% of our loan portfolio consisted of SDG-linked loans, with approximately 60% allocated to climate- and environment-focused investments. As of 2026, we continue to expand our impact in sustainable finance through our strengthened SDG-, climate-, and social-themed financing targets. Within the scope of the triple transformation, we will continue to prioritize decarbonization plans for carbon-intensive sectors in line with Türkiye's net-zero targets, green investments, and adaptation solutions that enhance the resilience of Turkish industry against climate risks. We will also maintain a strong focus on social development through inclusive approaches that support women's and youth employment.

Transformation-Oriented Investment with the Türkiye Green Fund

The year 2025 was also a period in which we continued to observe the tangible impact of our recently developed financing models on the real sector. In this context, the first investment of the Türkiye Green Fund marked a significant milestone. This investment, which contributes to a sustainable future, was made in Ateş Çelik, one of the leading domestic manufacturers of renewable energy equipment. The investment is directed at supporting the new investments of Ateş Çelik, classified as a green company based on its activities, enhancing its export capacity, and boosting its competitiveness in international markets. In the coming period, we plan to continue supporting companies with green activities and strong carbon emission reduction plans via this fund. We will keep undertaking significant investments that demonstrate how sustainable finance has become not only a project-based instrument but also a strategic tool that drives transformation at the system level.

Over 75 Years of Development Banking Expertise and Our Responsibility for the Future

As a well-established development and investment bank, we have now contributed to the development of Turkish industry for more than 75 years, playing an active role in supporting sustainable development in Türkiye, as well as strengthening the real sector, and creating lasting value for our country. Our decades of deep knowledge and expertise also place significant responsibilities upon us in this era of transformation, as we continue working toward a sustainable future.

Esteemed Stakeholders,

As TSKB, for many years we have aimed to create social value beyond our lending, investment, and advisory services, generating impact on a social and cultural scale through impact-oriented corporate social responsibility projects. With this understanding, in addition to the financing we provided to the provinces affected by the February 6, 2023 earthquakes, we completed the "11 Libraries in 11 Provinces" project in a short period of time. Furthermore, we continue to place social impact at the center of our activities through numerous initiatives such as the TSKB 75th Anniversary Kindergarten, the Future Women Stars Education Support Fund carried out in cooperation with İKSV, the Education-to-Production Scholarship Fund implemented with TEV, and the Sustainability Workshops organized for university students. In the 75th anniversary year of our Bank, through the TSKB 75th Anniversary Contemporary Art Competition, organized to support young artists, we reached nearly 600 young people from 60 cities and more than 100 universities across Türkiye, encouraging them to create, and bringing new works of art to our country.

At a time when sustainable, fair, and inclusive growth has become a strategic necessity on a global scale, the role of development banks has become more critical than ever. As bearers of this responsibility, we will continue—through a business model that combines financial strength with development impact—to increase the resources we provide to the economy, to support the private sector with high-quality and transformation-oriented financing solutions, and to create value for all segments of society.

With our inclusive development vision, strong capital structure, and the collaborative ecosystem we have built with our stakeholders, we adopt a financing approach that both responds to today's needs and supports the formation of economic structures that are resilient to climate risks and capable of creating long-term value. We believe that the coming period represents a critical threshold, where decisions shaping the direction of the financial system, beyond policy debates, will take form. In this context, we view COP31, which will be hosted by Türkiye for the first time this year, not merely as an international summit but as a strategic platform where the transformation capacity of the financial sector will be demonstrated.

I would like to extend my sincere thanks to our Board of Directors and all our stakeholders, with whom we have created value for many years. In the coming period, we will continue to comprehensively support our country's development journey by promoting sustainable investments that strengthen Türkiye's position in the global competitive environment, enhance its resilience to climate risks, and embrace nature-positive and inclusive approaches.

Yours sincerely,

OZAN UYAR
Board Member and CEO

MESSAGE FROM THE SUSTAINABILITY LEADER



As of the end of 2025, TSKB received an ESG Risk Rating of 7.4 from Sustainalytics, ranking 9th among 90 global banks and 12th among 1,012 international banks.

MERAL MURATHAN

Executive Vice President and Sustainability Leader

From the Perspective of the Sustainability Leader

The year 2025 marked a critical period in which sustainable finance gained structural momentum at both national and global levels. During this time, several major regulatory developments came into effect in Türkiye, including the Climate Law, the Communiqué on the Calculation of the Green Asset Ratio for Banks, and draft regulations related to the infrastructure of the carbon trading system. These developments represented important milestones that directly influence not only the financial sector but also the operational practices of the real sector. As TSKB, we have participated as a stakeholder in numerous platforms contributing to the development of the Türkiye Green Taxonomy, which is currently under preparation. We believe that this framework will be significant in shaping the direction of the financial system.

These developments signal the beginning of a new era, in which climate- and nature-related risks are systematically integrated into financial decision-making processes, and where the definitions of risk, opportunity, and responsibility expand from this perspective. Environmental and social dimensions are increasingly being addressed through a holistic approach, reflecting the evolving nature of sustainable finance.

We Updated Our Sustainable Finance Targets

In line with our strengthened sustainable finance performance in 2025, we revised our targets upward. We raised our SDG-linked financing target to USD 15 billion by 2030 and our climate finance target to USD 5 billion. In addition, we established a new social finance target of USD 3 billion covering the 2024–2030 period. Thanks to our strong funding structure, we will continue to maintain ambitious sustainable finance targets in the coming years by increasing the volume of thematic funds, particularly climate-related financing, that we access and mobilize for our country.

Climate Resilience and Analytical Risk Management

The evolving understanding of risk in the financial sector is being reshaped through adaptation investments. Accurately assessing the financial value of these investments has become a critical need. The return of adaptation projects is often measured not through direct revenue generation but through “avoided losses”. Scientific studies indicate that adaptation investments are in many cases technically feasible and cost-effective; accordingly,

strengthening the analytical infrastructure that enables capital to be directed toward the right projects has become a key priority. Our collaborations with international financial institutions play an important role in this regard. Within this framework, in 2025, we developed a financing structure with the IBRD, part of the World Bank Group, aimed at accelerating the private sector's climate adaptation investments. To assess the success criteria of this financing structure, we utilize AdapTool, an analytical tool developed through our internal capacity, which enables us to measure the physical risks faced by investments and analyze companies' adaptation capacities to identify priority investment areas. We view adaptation not merely as a component of risk management but as a strategic financing field that strengthens economic resilience and creates long-term value.

Strategic Focus: Nature and Biodiversity

With the deepening climate crisis, nature and biodiversity have emerged as critical topics on the sustainable finance agenda. Scientific research shows that achieving net-zero targets cannot be accomplished solely through technical solutions focused on emissions reductions. Instead, it requires a multidimensional transformation that encompasses ecosystems, value chains, and social impact. As a result, the "twin crisis" approach, which addresses climate change and the nature crisis together, is gaining even greater importance. In the TSKB Nature and Biodiversity Policy, we expanded our environmental and social risk management approach to include the nature dimension, and reviewed and updated our Sustainability Policy and complementary policies with a focus on nature and biodiversity. This policy aims to systematically integrate the risks and opportunities arising from nature-related dependencies and impacts into financial decision-making processes. In the coming period, we aim to prioritize the analysis of sectors within our portfolio, identify areas of risk concentration, and work together with our clients to develop solutions that reduce environmental impact.

An Inclusive Approach

Gender equality and women's employment—key dimensions of TSKB's lending approach—also constitute fundamental components of our corporate culture. For the past decade, we have provided financing to support the empowerment of women in the workforce. Following the February 2023 earthquakes, which we refer to as Türkiye's earthquake, we also made a concerted effort to measure this impact in the financing we provided to the affected regions. While striving to make the strengthening of women's employment a mainstream practice, we secured our first dedicated funding for youth employment in 2025, and we will continue to intensify our efforts in this area. Another key focus of the recent updates to our Sustainability Policies has been the TSKB Code of Ethics. We reviewed these principles from a broad perspective, from their scope to governance structure, and worked on establishing an Ethics Committee, as well as redesigning the Ethics Line and reporting mechanisms for misconduct.

At TSKB, we consider equality and inclusion to be an integral part of our corporate governance approach, guided by a human-centered perspective. Based on the results of the Inclusion, Diversity and Equality Perception and Awareness Survey conducted in 2024, we completed the preparations for the TSKB Inclusive Language Guide, which we aim to implement in the near future. The guide seeks to prevent unintentionally discriminatory language in everyday language and business processes, while fostering awareness of inclusivity regarding individual characteristics.

Additionally, we completed the first term of the Gender Equality Certificate Program in December 2025, implemented for our volunteer colleagues in collaboration with Galatasaray University and the Yanındayız Association. At the end of the program, participants presented projects proposing solutions to challenges identified in gender equality within the banking sector. Through these initiatives, we not only

advanced our institutional awareness, but also generated tangible outputs that can contribute to our internal policies and practices.

From COP30 to COP31

One of the most significant developments we observed at COP30 was that the climate agenda is no longer addressed solely through mitigation targets, but increasingly through adaptation, nature-based solutions, and resilience. The central role given to nature and biodiversity in the discussions signaled a structural transformation in the financial sector's approach to risk assessment. The long-term security of financing decisions is now determined not only by carbon intensity, but also by the alignment of investments with nature and the resilience of ecosystems. This global trend also provides compelling motivation for us to accelerate our preparations for the COP31 process, which Türkiye will host.

All these developments clearly demonstrate that sustainable development has evolved from a set of targets into a fundamental framework guiding the direction of the financial sector. A main driver of progress in this transformation has been the strong collaborations and continuous dialogue we maintain with stakeholders in line with our mission and vision. We believe that we will achieve our future goals through the effective communication and collective wisdom fostered among all our stakeholders.

Sincerely,

MERAL MURATHAN
Executive Vice President and Sustainability Leader

STRATEGY, PERFORMANCE, AND INSIGHTS

30 Strategic Plan

66 Capitals

THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT





STRATEGIC PLAN

- 32 TSKB's Strategic Plan
- 34 External Factors
- 44 Stakeholder Engagement and Double Materiality Analysis
- 50 Governance Model
- 59 TSKB Sustainability Journey

**THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT**





TSKB'S STRATEGIC PLAN



Our Mission

Our mission is to create lasting value for the sustainable and inclusive development of our country.



Our Vision

Our vision is to become an innovative international brand that leads to sustainable and inclusive development, grounded in fairness, trust, and efficiency.

Our Values

Sustainability and Social Benefit

To place the economy, nature, and social sustainability at the core of every decision. To prioritize creating lasting value for individuals and society.

Leadership in Transformation

To lead transformation in economic, environmental, and social domains.

People-Centric Approach

To adopt an inclusive approach that values employees, customers, and society, while promoting equal opportunities.

Expertise

To contribute to sustainable development through technical expertise and accumulated knowledge.

Trustworthiness

To earn the trust of all stakeholders by acting transparently, ethically, respectfully, and responsibly.

Solution Partnership

To deliver flexible, swift, and effective solutions by thoroughly addressing the expectations and needs of our stakeholders.

In light of our 75 years of accumulated experience, we have updated our vision, mission and values to better reflect our focus on sustainable and inclusive development and to align with the evolving needs of the future. Our initiative, titled “The Value Path of Development,” represents a comprehensive evaluation process through which we have addressed the Bank’s strategic direction and long-term value creation approach within a holistic framework.

In response to the triple transformation we are experiencing, shifting economic dynamics and increasing stakeholder expectations, this initiative provides a clearer foundation for our integrated thinking approach, which considers financial performance alongside environmental and social impact.

Our updated vision, mission and values—shaped through nine workshops with the contributions of 155 colleagues—offer a strategic reference framework guiding our business model, capital allocation priorities, risk management approach and performance indicators. This approach places environmental, social and governance dimensions at the core of our decision-making processes, while further strengthening our expertise and leadership in sustainable finance.

Our renewed mission reflects our commitment to creating lasting value for the sustainable and inclusive development of our country, while our vision reinforces our ambition to become an innovative international brand that is fair, reliable and efficiency-driven, and a pioneer of sustainable and inclusive development. Our values, in turn, present in an integrated structure our sustainability and social impact-oriented approach, our people-centric mindset, our strong governance principles, our expertise and our partnership-oriented perspective.

Shaped by the collective wisdom derived from our 75 years of experience, “The Value Path of Development” supports our long-term strategic objectives and forms the foundation of our business model, which creates sustainable and lasting value for our stakeholders.



EXTERNAL FACTORS

Precious metal prices, particularly gold and silver, increased significantly in 2025.



Cyclical factors, such as the increased search for safe havens due to geopolitical uncertainties and the Fed's interest rate cuts, also supported precious metal prices in 2025.

GLOBAL ECONOMIC DEVELOPMENTS

Global economic activity remained resilient despite geopolitical uncertainties

The global economy demonstrated resilience in 2025 despite heightened uncertainties. Downside risks to the economic outlook increased, particularly in the first half of the year, due to uncertainties stemming from trade policies.

Concerns came to the forefront that high tariffs announced by the US administration in early April, and retaliatory measures by countries such as the European Union (EU) and China, could lead to a sharp contraction in global trade volumes, thereby dragging down growth. These uncertainties also led to selling pressure in global markets.

On the other hand, as a result of negotiations between countries in the following months, trade agreements were signed between the US and several other countries, somewhat easing tariff tensions. Furthermore, the new tariff regime that emerged in August following negotiations also indicated customs duties below the levels announced in April. In addition, talks held between the US and China at the end of October resulted in a decision to postpone their international trade disputes for one year.

While all these developments supported economic activity, risk appetite picked up again in the second half of the year. The resumption of interest rate cuts by the US Federal Reserve (Fed) in September also supported global markets. Thus, the global economy recorded growth in 2025 at a level close to that of 2024. In terms of activity, the services sector outperformed the manufacturing sector. Although global trade in goods slowed due to tariffs, a more positive picture emerged in trade in services.



Excess supply suppressed energy prices, while precious metals saw strong gains

With global growth in 2025 remaining below long-term averages and oil-exporting countries deciding to increase production, the oil market experienced relatively abundant supply and prices declined. The average price of a barrel of Brent crude oil, which was USD 79.9 in 2024, declined to USD 68.2 in 2025. Energy prices rose at the beginning of 2026 with increasing geopolitical risks. On the other hand, while global demand conditions are expected to be similar to 2025, oil prices are projected to remain at relatively low levels in 2026 with the expectation that supply will exceed demand.

Precious metal prices, particularly gold and silver, increased significantly in 2025. Declining confidence in US assets and concerns about debt sustainability in developed economies are strengthening the trend toward precious metals. Additionally, an increase in the share of gold in central bank reserves has been observed in recent years. Rising industrial demand for certain precious metals was also among the structural factors driving prices up. In addition, cyclical factors such as increased safe-haven demand due to geopolitical uncertainties and the Fed's interest rate cuts also supported precious metal prices in 2025.

Interest rate cut cycles continued in the US and the Eurozone

While inflation in the US remains above the Fed's target level, increased upside risks due to tariffs also caused the Fed to postpone rate cuts within 2025. The Fed, which delivered a total of 100 basis points of rate cuts in 2024, implemented its first cut of 2025 in September with a 25-basis-point reduction. The Fed, which ended 2025 with 75 basis points of cuts, is expected to implement two additional 25-basis-point rate cuts in 2026. In the Eurozone, annual inflation was observed to have fallen to the European Central Bank's (ECB) 2% target in 2025. Due to the inflation path's alignment with the target and weak growth performance, the ECB continued its interest rate cuts throughout the first half of 2025, lowering the policy rate from 3% to 2%. The ECB, which held rates steady in the second half of the year, is not expected to change its policy rate in 2026 either.

Growth forecasts have been revised upward recently

The International Monetary Fund (IMF) projects that global growth, calculated at 3.3% in 2025, will be at a similar level of 3.3% in 2026. On the other hand, although no acceleration in growth is expected, it is noteworthy that growth forecasts for 2026 have been revised upward in recent months. Global consumer inflation, which stood at 4.1% in 2025, is projected to decline to 3.8% in 2026.



DEVELOPMENTS IN TÜRKİYE'S ECONOMY IN 2025

The composition of growth deteriorated again

On the expenditure side, private sector consumption continued to make a strong contribution to gross domestic product (GDP), while net external demand made a negative contribution in the first three quarters of 2025. Thus, the rebalancing between domestic and external demand in the composition of growth deteriorated again. According to seasonally and calendar-adjusted data, GDP grew by 0.8% quarter-on-quarter in the first quarter, and expanded by 1.6% and 1.1% in the second and third quarters, respectively. On an annual basis, calendar-adjusted GDP growth was 3.1% in the first quarter, 4.7% in the second quarter, and 3.4% in the third quarter. Throughout the year, private consumption made the largest contribution to growth. Net external demand limited growth, while changes in inventories followed a volatile course. With these results, GDP in the first three quarters of 2025 increased by 3.7% compared to the same period in 2024. Annualized GDP, which was USD 1.358 trillion at the end of 2024, rose to USD 1.538 trillion in the third quarter of 2025.

Budget revenues increased at a higher rate than expenditures

Total revenues increased relatively rapidly throughout the year, supported by the rise in tax revenues. In contrast, non-interest expenses recorded a slower increase. Rapid increases in interest expenses continued due to high borrowing costs. In 2025, revenues increased by 48.0%, while expenditures rose by 35.7%. Interest expenses increased by 61.7%, exceeding the growth in total expenses. As a result, the budget deficit, which was TL 2.108 trillion in 2024, decreased to TL 1.799 trillion in 2025. The primary balance, which had a deficit of

TL 837 billion last year, recorded a surplus of TL 255 billion in 2025. Thus, the budget deficit-to-GDP ratio stood at approximately 3.0%, indicating an improvement compared to 2024.

Current account balance deteriorated slightly in 2025

In 2025, the foreign trade deficit widened due to the increase in imports, despite the rise in USD-denominated exports and support from energy prices. The foreign trade deficit, which was USD 82.2 billion in 2024, increased to USD 92.0 billion in 2025. Despite resilient tourism revenues, the current account deficit, which stood at USD 10.4 billion at the end of 2024, rose to USD 23.2 billion in November 2025. The core current account surplus, excluding energy and gold, declined from USD 52.2 billion to USD 44.6 billion during the same period. During this period of volatile capital flows, a decline was observed in official reserves. In the January-November 2025 period, foreign direct investment inflows remained at USD 3.7 billion, while portfolio investments saw an outflow of approximately USD 1.8 billion. Coupled with an outflow of USD 18.0 billion in the net errors and omissions item, official reserves decreased by USD 17.9 billion.

Disinflation continued in 2025, albeit at a slower pace

Annual inflation, as measured by the Consumer Price Index (CPI), was 44.4% at the end of 2024 and fell to 30.9% in December 2025. Disinflation was observed to be slower in the second half of the year. The annual inflation rate in the Domestic Producer Price Index (D-PPI) also declined from 28.5% at the end of 2024 to 22.5% in April. It subsequently rose, reaching 27.7% in December. While the decline in inflation is expected to continue in 2026, albeit at a slower pace, the rigidity of expectations, volatility in food prices, and the extent of the slowdown in domestic demand will be closely monitored due to their impact on inflation.

The CBRT maintained its tight stance in the first half of 2025 due to increased risks and resumed rate cuts in the second half of the year

The Central Bank of the Republic of Türkiye (CBRT), which initiated rate cuts at the beginning of 2025, tightened its monetary policy stance in March in response to rising domestic political risks and raised the policy rate from 42.5% to 46.0% in April. The CBRT held the policy rate at this level until July. With an improving inflation outlook and easing pressure on reserves, the CBRT resumed its rate-cutting cycle in July and continued it through year-end. At its December meeting, it lowered the policy rate from 39.5% to 38.0%. During this period, the CBRT also continued regulations encouraging a shift to TL deposits and maintained the phase out process from the FX-Protected Deposit scheme. It also strengthened the transmission mechanism through increases in reserve requirements. It supported its tight stance by imposing limits on commercial loan growth. Although the CBRT continued its rate-cutting cycle, it maintained its cautious approach toward upside inflation risks and emphasized its tight monetary policy stance in its statements.



Growth is expected to accelerate, albeit modestly, in 2026

The CBRT and economic authorities are expected to remain committed to combating inflation in 2026. In this context, although rate cuts may continue, the CBRT's tight monetary stance is projected to be maintained until a significant improvement in inflation is achieved. Economic activity is expected to accelerate slightly in 2026, partly due to rate cuts, with growth in 2026 anticipated to exceed that of 2025.

SECTORAL DEVELOPMENTS IN 2025

2025 was a transitional year for the banking sector. With the start of the rate-cutting cycle in December 2024, expectations for the sector pointed to a more balanced outlook heading into 2025. Expectations of a recovery in credit conditions, a gradual decline in funding costs, and an improvement in net interest margins were among the main themes in the early months of the year. In the first quarter of the year, loan-deposit spreads widened due to the impact of rate cuts, and signs of a gradual recovery in net interest margins began to emerge.

The pause in the rate-cutting cycle in March was the main factor limiting this recovery process. Particularly for deposit-funded banks, the failure of funding costs to decline at the expected pace created pressure on loan-deposit spreads, and net interest margins began to narrow again. The CBRT's renewed tightening of monetary policy and the increase in the policy rate from 42.5% to 46.0% led to funding costs to remain elevated.

In addition, the upward trend in foreign currency deposits observed since the beginning of the year prompted the Central Bank to take steps against dollarization. In this context, required reserve ratios for foreign currency deposits were increased. As loan volumes continued to increase despite existing growth limits on foreign currency loans, the foreign currency loan growth limit was reduced to 0.5% in March, narrowing the scope of exemptions. Following these decisions, foreign currency loans in the sector, which had grown by 4.8% on a currency-adjusted basis in the first quarter, slowed and ended the first half of the year with 7.1% growth. The narrowing of exemptions, particularly for foreign currency loans, suppressed corporate borrowing, while banks' asset growth followed a more controlled path in the first half of the year. During this process, margin pressure was more pronounced on banks with deposit-based funding structures, whereas development and investment banks were affected to a lesser extent than deposit banks due to their non-deposit, long-term, and relatively fixed-cost funding structures.

While net interest margins remained under pressure across the sector in the first half of the year, net fee and commission income continued to support profitability. The share of commissions from payment systems, card revenues, and banking services within operating income increased.

This increase in non-interest income helped limit the impact of pressure on net interest margins on profitability. The structure of securities portfolios also influenced sector performance during this period. Due to the high-inflation environment, CPI-indexed securities stood out as a key factor supporting interest income in the first half of the year, while the share of fixed-rate securities in banks' portfolios began to increase as rate cut expectations strengthened again.

With the resumption of the rate-cutting cycle in the second half of the year, a gradual improvement was observed in the sector. The decline in funding costs and the normalization of loan pricing led to a renewed recovery trend in net interest margins. In particular, the decline in short-term deposit costs contributed to easing pressure on loan-deposit spreads. In terms of profitability, although year-end expectations for 2025 were not met, the second half of the year stood out as a period when net interest margins and profitability began to recover.

Regarding the foreign currency-protected deposit scheme, the phase out process was completed during the year; the opening of new accounts was halted in the first half of the year, and following additional restrictions introduced in June, the scheme practice was completely terminated as of August 23. As of year-end, the share of such deposits in total deposits had fallen below 0.1%.

Pressure on asset quality increased in 2025 due to SME loans

The formation of non-performing loans, which was predominantly driven by retail loans in 2024, continued in 2025. In addition, SME loans were observed to contribute more significantly to the NPL ratio. While deterioration from retail credit cards and consumer loans continued throughout



2025, and inflows of non-performing SME loans increased due to macroeconomic conditions and financial tightening. In 2025, non-performing SME loans increased 1.5-fold, and the SME loan NPL ratio, which was 2% at the beginning of the year, rose to 3.1% by the end of 2025. With transfers to non-performing retail loans doubling this year and continuing, the sector closed 2025 with a 2.46% NPL ratio.

In 2025, banks had to focus heavily on non-performing loans. Approximately TL 60 billion in non-performing loans in the banking sector were sold to asset management companies. Of these sales, TL 24 billion occurred in the first half of the year, with the remainder taking place after June. These sales helped to limit the upward pressure on the NPL ratio. Although the NPL ratio increased during the year, it remained manageable compared to the sector's past experience, indicating that the resilience of the banking sector's asset quality has been preserved.



With the resumption of the rate-cutting cycle in the second half of the year, a gradual recovery was observed in the sector.

The sector's capital adequacy ratio stabilized at 19.7% as of December 2025, taking into account the regulatory changes introduced by the BRSA.

940
TL BILLION

Banking Sector Profit
as of December 2025



The banking sector's return on equity was 27.4% as of December 2025.

As of December 2025, the banking sector's profit amounted to TL 940 billion representing a 44.5% increase compared to the same period of the previous year. When calculated including trading profit/loss, the year-to-date net interest margin stood at 4.5% for the sector overall and 4.7% for private banks. In this context, the banking sector's return on equity stood at 27.4% as of December 2025.

The banking sector continued to maintain its strong capital structure during the period. The sector's capital adequacy ratio stabilized at 19.7% as of December 2025, taking into account the regulatory changes introduced by the Banking Regulation and Supervision Agency (BRSA).

Entering 2026, the Central Bank is expected to continue its rate-cutting cycle in line with the decline in inflation. In this context, a normalization of funding costs and an easing of pressure on loan-deposit spreads are anticipated. In 2026, loan growth is expected to continue in a more selective manner, and if the rate-cutting cycle persists, the pressure on net interest margins and profitability in the banking sector is expected to gradually ease.

Regulatory and Legal Changes Made by Authorities

Steps taken by the CBRT to strengthen macro-financial stability and the monetary transmission mechanism continued throughout 2025. While simplification steps in required reserve regulations continued, the practice of maintaining required reserves based on cash loan growth to support tight monetary policy was extended until the end of 2026. The exemption granted to loans extended to the earthquake zone from required reserves based on foreign currency cash loan growth was terminated, while the exemption related to required reserves based on TL cash loan growth was maintained. Foreign currency cash loans extended by development and investment banks using funds obtained from abroad through Treasury guarantees under Law No. 4749 on the Regulation of Public Finance and Debt Management were also included within the scope of the exemption. Various changes were also made during the year in line with the macroprudential framework governing required reserves.



Draft regulations were published by the BRSA to update banking legislation in line with international best practices and to ensure banks' capital adequacy complies with Basel IV standards.

The regulation on lending limits for development and investment banks was introduced by BRSA Decision No. 11173. Additionally, the procedures governing funds to be obtained from the loan customers, affiliates, and shareholders of development and investment banks were set out in a regulation.

To support sustainable banking and the management of climate change-related risks, the Communiqué on the Calculation of Banks' Green Asset Ratio and the Guideline on the Management of Climate-Related Financial Risks were issued.

In 2022, the BRSA decision that limited TL-denominated cash commercial loan disbursements relative to foreign-currency cash assets as part of macroprudential measures to ensure the effective functioning of the credit system and the proper use of loans was repealed.

The BRSA decision taken in 2024 regarding the transition to inflation accounting was revoked, and it was decided that inflation accounting would not be applied by banks.

The best practices guide prepared by the Personal Data Protection Authority (KVKK) for the banking sector regarding personal data protection legislation was updated, and a guide on sensitive personal data and the conditions for its processing was published.

In line with Türkiye's green growth vision and net-zero emissions target, the Climate Law, which establishes the legal framework for combating climate change, was enacted.



In terms of tax regulations, the Resource Utilization Support Fund deduction for foreign currency and gold loans extended by banks and finance companies was set at 1%.

Anti-Money Laundering, Combating the Financing of Terrorism, and Sanctions

In 2025, comprehensive regulations were implemented in the legislation for the prevention of money laundering and the financing of terrorism. Development and investment banks were included among the obliged entities required to establish a compliance program. The procedures for authorizing compliance officers and deputy compliance officers were updated. An obligation was introduced to notify the Presidency of the Financial Crimes Investigation Board (MASAK) of the removal or resignation of the compliance officer and the deputy compliance officer, together with the reasons. To guide financial institutions, guidelines were published on combating the financing of terrorism and the prevention of the proliferation of weapons of mass destruction. Regulatory work was carried out on enhanced measures to be implemented by obliged entities as part of customer due diligence requirements.

OTHER DEVELOPMENTS DURING THE PERIOD

Developments in Climate Policies

While 2025 was one of the hottest years on record globally, the effects of the climate crisis were felt distinctly in Türkiye. In July, the highest temperature in Türkiye's history was recorded at 50.5°C in the Silopi district of Şırnak, while extreme heat across the country raised the risk of forest fires to critical levels. In the June–July period, fires in 53 provinces damaged more than 80,000 hectares of land. The deepening drought during the same period, which caused annual precipitation to fall approximately 26% below the average of previous years, increased pressure on water resources and adversely affected agricultural production. These developments clearly demonstrated that climate risks have shifted from being merely an environmental issue to a structural risk directly affecting agriculture, energy, finance, and public policies.

From a global perspective, 2025 presented a fragmented picture in terms of climate policy. In the US, the Donald Trump administration's withdrawal from the Paris Agreement, the weakening of public support for climate policies, and the renewed prioritization of fossil fuel production created uncertainty in global climate governance.

The European Union, on the other hand, sought to strike a new balance between its climate targets and competitiveness. With the "Omnibus I" package adopted in February 2025, temporary flexibilities were granted under the CSRD, CSDDD, and the EU Taxonomy, while some postponements regarding reporting and the use of verified data for the transitional period of the Carbon Border Adjustment Mechanism (CBAM) were introduced. EU institutions framed these regulations not as a step back from climate targets, but as technical measures intended to simplify the implementation process and enhance companies' capacity to comply.

China, however, pursued a more stable climate policy. At the EU-China Summit held in Beijing in July, the parties declared they would jointly take leadership in line with sustainable development and just transition goals. China, responsible for approximately 30% of global emissions, announced its updated Nationally Determined Contribution (NDC) for 2035 in September 2025, setting a target to reduce its emissions by 7-10%; it also shared with the public its plans to rapidly increase renewable energy capacity and expand its national Emissions Trading System (ETS) to cover high-emission sectors.

The 30th Conference of the Parties (COP30), held in Belém, Brazil, in November 2025, served as a platform to assess the progress of global climate action, as it coincided with the 10th anniversary of the Paris Agreement. At COP30, while it was clearly acknowledged that current NDCs are insufficient to limit the global temperature increase to 1.5°C, no concrete and binding consensus was reached on phasing out fossil fuels and financing this transition. In particular, the failure to meet expectations for the phased termination of fossil fuel investments and financing raised concerns about the pace of climate action. Adaptation finance, loss and damage mechanisms, and nature-based solutions were among the prominent topics. The summit was dubbed the “COP of the Forests” due to its emphasis on combating deforestation and protecting natural ecosystems.



COP30 showed that countries are moving toward taking more distinct positions in line with their own national priorities regarding climate targets. In this context, the most noteworthy development for Türkiye was that COP31 is scheduled to be held in Antalya in November 2026. The fact that Türkiye will host a COP for the first time was considered a historic step that strengthens our country's visibility and strategic position in global climate negotiations. COP31 is expected to strengthen Türkiye's regional role in climate finance, energy transition, and just transition, and to contribute to aligning national climate policies more closely with the global agenda.

In parallel with this process, the institutional infrastructure for climate policy in Türkiye was significantly strengthened. The Climate Law, which entered into force on July 9, 2025, became Türkiye's first comprehensive climate framework law prepared in line with the 2053 net-zero emissions target; it also established the legal basis for the national ETS, which is planned to be piloted in 2026. In this context, a significant stage in technical preparations was reached with the publication of the Draft ETS Regulation, which defines the sectoral scope of the ETS, allocation methods, and monitoring, reporting, and verification processes. Additionally, the Draft Regulation on Carbon Crediting and Offsetting was shared with the public to support the development of both voluntary and compliance market mechanisms.

Despite global uncertainties and policy divergences, 2025 also saw some positive developments in the areas of climate and nature.

The International Energy Agency's forecast of an increase in electricity generation from renewable sources and a decline in the share of coal in 2025 was also supported by preliminary data published by independent sources for the first half of the year. With the increase in solar and wind generation, electricity produced from renewable sources surpassed coal-fired generation for the first time.

The entry into force of the Global High Seas Treaty marked a significant milestone in efforts to protect 30% of the oceans, while declines in deforestation rates in some countries, notably Brazil, demonstrated that nature-based policies can yield tangible results. These developments, although not yet sufficient to reverse the effects of the climate crisis, signal that progress could be achieved with the right set of policies.

Sustainable Finance

The year 2025 was marked by continued growth in sustainable finance markets, although volumes moved within a more stable range. According to the Climate Bonds Initiative (CBI), the cumulative volume of green, social, sustainability, and sustainability-linked (GSS+) bonds reached USD 6.5 trillion as of the third quarter of 2025.

In the third quarter of 2025, aligned GSS+ bond issuance reached USD 233.2 billion, in line with the average third-quarter volume recorded since 2021.

In terms of thematic distribution, green bonds continued to be the main driver of the market, accounting for 64% of total issuance with a volume of USD 149.3 billion in the third quarter. Social bond issuance totaled USD 20.6 billion in the same period, representing 9% of the total volume. Sustainability bond issuance reached USD 61.3 billion, accounting for a 26% share of the total. This volume represented one of the strongest quarters for sustainability bonds, and if this trend continues, sustainability bonds are expected to become the market's second most preferred theme. The volume of sustainability-linked bonds was USD 2 billion, maintaining its limited share of approximately 1% of total issuance.

In terms of issuer profile, non-financial corporates were the most active group in the third quarter of 2025, with an issuance volume of USD 62.5 billion. Issuance by financial corporates totaled USD 60.8 billion, marking the strongest quarterly supply since the second quarter of 2023, while issuance by development banks reached USD 50.9 billion.

In 2025, a year in which sustainable finance standards were strengthened, the International Capital Market Association (ICMA) updated its Green Bond Principles, revising transparency and reporting requirements. The pool of key performance indicators (KPIs) under the Sustainability-Linked Bond Principles was expanded to include new KPIs covering public issuers, and guidance on product design was enhanced. The Climate Transition Bond Handbook published by ICMA contributed to a more systematic framework for the development of transition finance products.

In the loan markets, the Loan Market Association's (LMA) update of its Green Loan Principles and Sustainability-Linked Loan Principles was a significant step in supporting market integrity and ensuring consistency in the implementation of sustainable loan products. In the European Union, the European Green Bond Standard came into force, and the requirements for taxonomy alignment and external verification in green bond issuances became more prominent.

In Türkiye, while green- and sustainable- themed bond issuances and sustainability-linked loan transactions continued in 2025, regulatory and institutional steps to strengthen the market infrastructure in sustainable finance came to the forefront. In the banking sector, the first calculations were carried out under the Communiqué on the Calculation of Banks' Green Asset Ratio, which covers the measurement and reporting of green financing activities. Work on the development of the Türkiye Green Taxonomy progressed, and efforts to establish a national framework for defining and classifying environmentally sustainable economic activities gained further momentum.



In Türkiye, green- and sustainable-themed bond issuances and sustainability-linked loan transactions continued in 2025.

61.3
USD BILLION

Sustainability Bond Volume



In the third quarter of 2025, non-financial corporates were the most active group with an issuance volume of USD 62.5 billion.

The IFC committed to increasing biodiversity and nature finance in line with the World Bank Group's Climate Change Action Plan.



Biodiversity and Nature Finance

Developments in biodiversity and nature finance over the past few years continued unabated in 2025. The International Sustainability Standards Board (ISSB), which published a guide in May 2023 to assess new projects related to sustainability reporting and solicit stakeholder feedback, decided to add a project covering risks and opportunities related to biodiversity, ecosystems, and ecosystem services (BEES) to its 2024–2026 work plan based on feedback and priority criteria. In December 2025, the relevant project moved from the research phase to the standard-setting phase. At this stage, the goal was to develop disclosure requirements to meet investors' information needs regarding BEES-related risks and opportunities.

These requirements were intended to be complementary to IFRS S1 and S2 and to draw upon the guidance and frameworks of the TNFD. The ISSB also decided to publish a draft standard as the next step in the process, skipping the discussion paper stage. The ISSB announced that existing advisory bodies, consultative groups, and resources would be used for the project instead of creating a new advisory group.

Meanwhile, the IFC committed to increasing financing for biodiversity and nature in line with the World Bank Group's Climate Change Action Plan and stated that a corporate framework has been developed to identify, evaluate,

and monitor investments in this area. The Biodiversity Finance Reference Guide, published in 2022, provided guidance on eligible activities within the scope of biodiversity finance by leveraging the strength of the large-scale sustainable finance market. As market interest in nature and biodiversity finance grew, IFC deepened its work and, in addition to this document, published the Biodiversity Finance Metrics for Impact Reporting. This addendum, which includes impact reporting metrics for each eligible activity, is intended to enhance transparency and credibility in impact reporting and to support a more effective transition of markets toward nature-positive approaches.

An important development in 2025 was the publication of the Sustainable Bonds for Nature Practitioner's Guide by ICMA. This document provided additional thematic guidance for use-of-proceeds (UoP) bonds, such as green or sustainability bonds issued to finance projects that support nature, taking into account the application of such activities across all eligible green project categories. The guide also provided issuers of green bonds, whose proceeds are used exclusively to finance nature-related projects, with the option to use the secondary designation "nature bond."

In addition to these steps, the Common Principles for Tracking Nature Finance document, published in 2023 by Multilateral Development Banks (MDBs) to develop tools and methods for monitoring nature-positive investments in their portfolios, was updated in 2025 and its second version was released. These principles aimed to guide the development and implementation of relevant technical frameworks and internal methodologies for MDBs seeking to identify, track, and/or report their nature-positive financing activities. Under the Common Principles, nature-positive finance was defined, eligibility criteria were established for identifying and tracking it, and steps for determining ex-ante criteria were outlined. Furthermore, these principles are expected to



The Sustainable Bonds for Nature Practitioner's Guide was issued by ICMA.

guide countries and private sector clients in supporting the implementation of the Kunming-Montreal Global Biodiversity Framework (KMGBF).

Gender Equality

The year 2025 was marked by a significant slowdown in the pace of progress on gender equality and increased vulnerability in some key indicators. Global assessments published throughout the year indicated that inequality deepened simultaneously in interconnected areas such as poverty, employment, decision-making processes, and multiple crises.

At the global level, the impact of multiple crises made gender-based inequalities more visible, particularly in indicators of poverty and vulnerability. Projections indicate that, if current policies remain unchanged, 351 million women and girls will still live in extreme poverty in 2030. The fact that the extreme poverty rate for women has long remained at around 10% indicates that existing gender-sensitive policy tools are not producing sufficient results.

Conflict-affected environments and difficulties in accessing food have also increased the risks faced by women. Current data show that 676 million women and girls live in close proximity to deadly conflicts, while 64 million more women than men experience moderate or severe food insecurity. In this environment where the climate crisis, economic contraction, and conflicts intersect, if current trends continue, more than 158.3 million women are expected to face the risk of poverty by 2050.

Global comparisons showed that this multi-risk environment is unevenly distributed not only across gender groups but also across countries. Progress in economic participation, political representation, and equal opportunity was considered insufficient in many countries, and current trends were seen as posing a risk to the achievement of the SDG 5 targets set for 2030.

Although indicators of women's representation in decision-making roles continued to trend upward globally, the current pace of progress was deemed insufficient to achieve gender equality. While the proportion of women in parliaments reached 27%, representation remained limited. Assessments conducted as part of the Beijing+30 process indicated that despite legal and institutional progress, implementation on the ground has not advanced at the same pace. This pattern was also observed in Türkiye in the areas of decision-making and governance. The proportion of female members of parliament remained at 19.9%, the proportion of women in senior and middle management positions at 20.6%, and the proportion of female ambassadors at 26.9%.

In Türkiye, the divergence of economic vulnerability along gender lines was also noteworthy.

While the risk of poverty was observed to be higher in single-parent households headed by women, women's labor force participation remained limited in terms of both its level and quality of employment. Women's unpaid care and domestic work responsibilities continued to place structural pressure on their access to the labor market and their continuity in employment. Although the labor force participation rate for women was approximately 36%, the gap with men reached 30 percentage points. In Türkiye, the female employment rate stood at 31.3%, while the male employment rate was 65.7%. This picture was consistent with the gender-based labor market segmentation observed globally.

An examination of women's labor force participation shows that the participation rate for women over the age of 15 averaged 35.8%, while this rate rose to 68.9% for women with higher education degrees. However, among women aged 25 and over, the share of higher education graduates was only 22.7%.

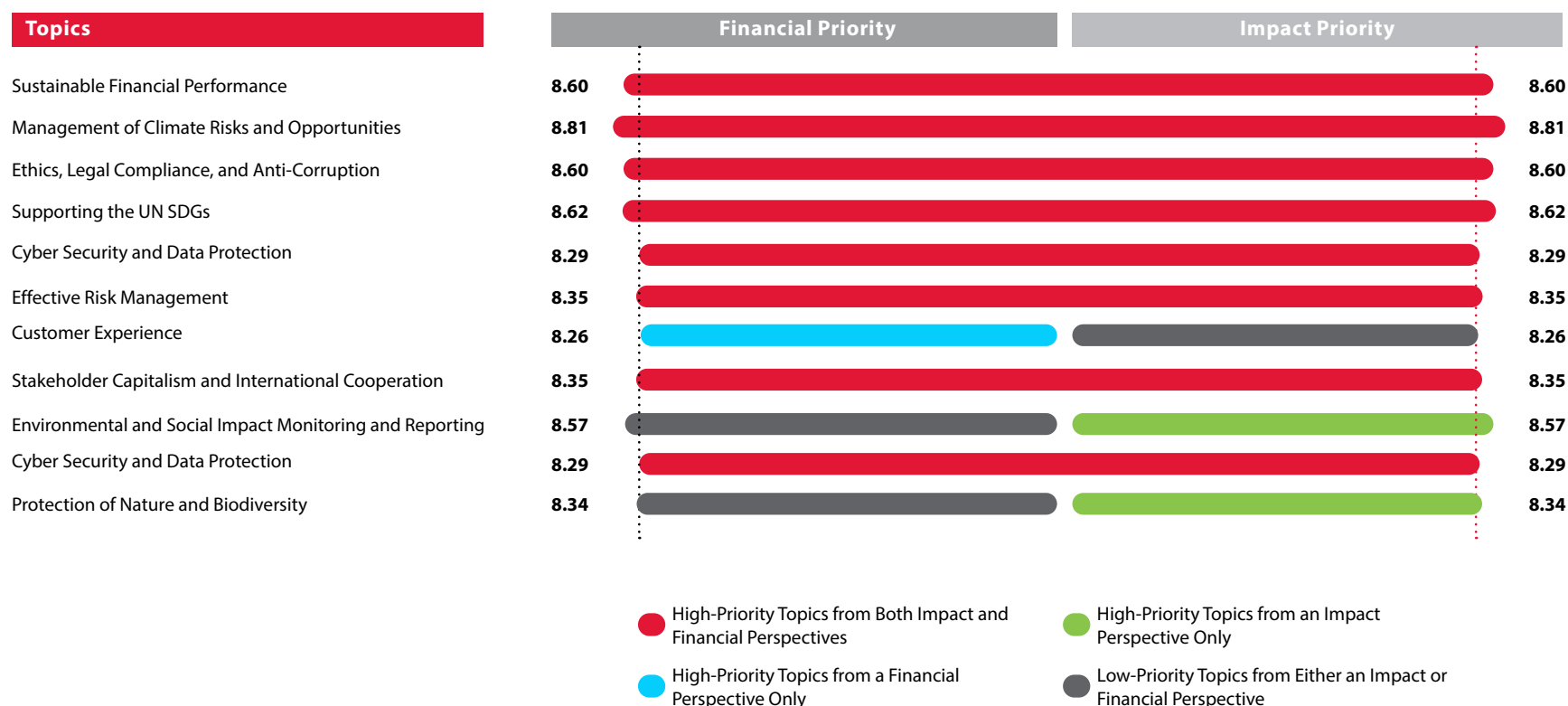
This difference in education level was also reflected in the average years of schooling, which were measured at 8.6 years for women and 10.1 years for men.

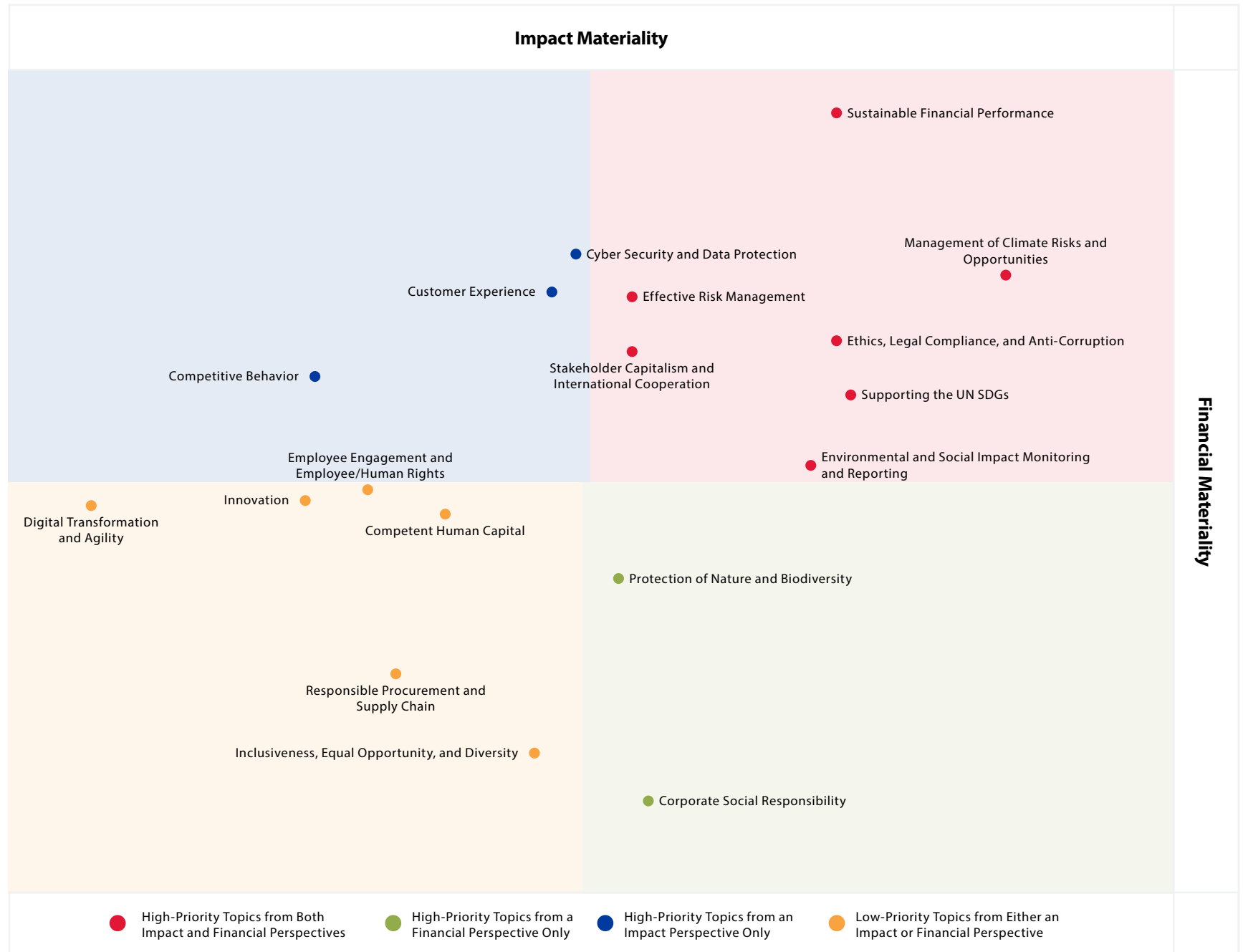


STAKEHOLDER ENGAGEMENT AND DOUBLE MATERIALITY ANALYSIS

Within the scope of a two-phase analysis process conducted last year, TSKB adopted a double materiality approach in line with the guidelines of the European Financial Reporting Advisory Group (EFRAG), prioritizing sustainability topics from both impact and financial perspectives through a 360-degree lens. In a dedicated workshop, these priority topics were further assessed together with stakeholders in detail, considering their impacts, risks and opportunities. As part of the analysis, seven stakeholder groups were engaged, and responses from a total of 125 participants—comprising 87 internal and 38 external stakeholders—were compiled.

As a result of an in-depth analysis of the data, the TSKB Double Materiality Matrix was developed, with impact materiality positioned on the horizontal axis and financial materiality on the vertical axis. Further details on the methodology developed under the dynamic materiality approach and its outcomes can be found on page 38 of TSKB's [TSRS-aligned 2024 Integrated Annual Report](#).





HIGH PRIORITY TOPICS

The Bank regularly reviews and monitors its priority topics and compliance processes through its Sustainability Management System, in line with senior management review processes and the evaluations of the Sustainability Committee.

Sustainable Financial Performance

Sustainable financial performance for TSKB refers to the ability to create sustainable and inclusive value for stakeholders by maintaining stability while achieving long-term financial targets. Financial performance is monitored in a multidimensional manner by various departments, particularly the Financial Control, Budget and Planning, Risk Management, Financial Institutions and Investor Relations departments, in line with long-term financial targets. Financial performance, which is closely monitored by the Senior Management, is discussed weekly at Executive Committee Meetings. Financial performance, which is continuously monitored through internal audits conducted by the Internal Audit Board and Internal Control units and through periodic reports to senior management and the Board of Directors, is subject to a quarterly external audit.

The priority topic is discussed in detail in the [Financial Capital](#) section.

Management of Climate Risks and Opportunities

The management of climate risks and opportunities is a key component of both TSKB's financial performance and its clients' transformation process. This material topic is managed by the Climate Change and Sustainability Management, Risk Management, and Engineering departments using the Climate Risk Evaluation Tool (CRET) developed in accordance with the Sustainability Policy and related complementary policies. Climate risks and opportunities, which are integrated into the loan assessment, allocation, and monitoring processes, are presented to the Credit Committee on a project-by-project basis and become an important element of the senior management's decision-making mechanism. Actual results and projections are shared with the Sustainable Management Committee, the Executive Committee, and the Board of Directors. The Sustainability Committee at the level of the Board of Directors is informed twice a year with the half-year and year-end results.

The priority topic is discussed in detail in the [Natural Capital](#) section.

Business Ethics, Legal Compliance, and the Anti-Corruption

Business ethics, legal compliance, and anti-corruption are among the core components of TSKB's approach to corporate governance. The Corporate Compliance and Legal Affairs departments manage compliance with all legal regulations. To this end, the Audit Committee and Internal Control department carry out continuous audits. Issues raised through the grievance mechanism are evaluated by the senior management, and employees are provided with regular training in accordance with relevant policies, procedures, and practices.

The priority topic is discussed in detail in the [Corporate Governance and Risk Management](#) section.

Supporting UN SDGs

TSKB's mission is to support Türkiye's sustainable and inclusive development, and it considers the UN SDGs as a key reference for monitoring and reporting its impact. The SDG Mapping Model developed in 2020 is used to link the impact generated through loans to the SDGs and to set long-term financing targets. Climate Change and Sustainability Management department monitors the support provided to the SDGs through this model. The Bank's performance in meeting these targets is regularly reported to senior management monthly. Annual performance is audited externally. Comparative results are shared with the stakeholders in the Integrated Annual Report.

The priority topic is discussed in detail in the Financial Capital, Natural Capital and Social Capital sections. Further details on the model methodology are presented in the [Intellectual and Manufactured Capital](#) section.

Cybersecurity and Data Privacy

TSKB considers maintaining the confidentiality of corporate and personal financial data to be a fundamental responsibility. In this regard, TSKB develops data privacy regulations and high-level cybersecurity practices. Cybersecurity and data privacy are managed by the Information Security and Quality Department and audited by the TSKB's Audit Committee and Internal Control. Since 2021, TSKB's information security management system has undergone audits by an expert organization in accordance with ISO 27001 criteria.

The priority topic is discussed in detail in the [Intellectual and Manufactured Capital](#) section.

Effective Risk Management

TSKB proactively identifies, assesses, and controls financial, operational, legal, and strategic risks arising from its operations. The Risk Management Department is responsible for the management of the risks and periodically reports to the Audit Committee and Risk Committee at the Board of Directors level. Additionally, risk management is periodically audited by the competent supervisory and regulatory authorities.

The priority topic is discussed in detail in the [Corporate Governance and Risk Management](#) section.

Customer Experience

TSKB's vision is to serve as the preferred partner for stakeholders in Türkiye's economic, environmental, and social development, and it attaches importance to client satisfaction and loyalty. The Bank maintains ongoing communication with its clients, periodically conducts stakeholder and satisfaction surveys, and reviews clients' expectations through a complaint and suggestion mechanism.

The priority topic is discussed in detail in the [Social Capital](#) section.

Stakeholder Capitalism and International Cooperation

TSKB builds long-term cooperation with its stakeholders. The Bank develops its value creation model based on the expectations of its stakeholders, its know-how and best practices. TSKB aims to improve its economic, environmental, and social impact by promoting the exchange of information on national and international platforms and emphasizes the presence of representatives from different departments on relevant topics. The Corporate Communications department manages compliance with and follow-up of the business

plan regarding this material topic. Collaborations are determined by senior management in accordance with the Bank's strategy, targets, and focus areas.

The priority topic is discussed in detail in the [Social Capital](#) section.

Environmental and Social Impact Monitoring and Reporting

The ERET model developed by the Bank forms the basis for monitoring and reporting on impact, which is considered by stakeholders to be one of TSKB's strongest points. ERET outputs are a crucial component of the credit assessment process, evaluating the investment's and/or client's capacity to manage risks throughout the loan lifecycle. This evaluation incorporates the action plans and development areas identified. The outputs of the model, employed by the engineering teams, are presented to the Credit Committee and become an important element of the senior management's decision-making mechanism. The annual results of the environmental and social impact monitoring are made available to stakeholders on TSKB's website and in the Integrated Annual Reports.

The priority topic is discussed in detail in the [Natural Capital](#) section.

Protection of Nature and Biodiversity

The protection of nature and biodiversity, which is one of TSKB's priorities for 2024, is one of the topics on which the Bank has started to build capacity and aims to develop a strategy. It has been possible to conduct a baseline analysis in line with the updated CDP reporting standards, and this topic will be addressed by the Climate Change and Sustainability Management department. Opportunities for participation and cooperation in new international platforms will be evaluated in the coming period.

The priority topic is discussed in detail in the [Natural Capital](#) section.

Double Materiality Workshop - Impact, Risk, and Opportunity Analysis

In the workshop held last year, focusing on "Impact Materiality" and "Financial Materiality," topics identified as high priority based on survey results were assessed. The reasons for their significance were discussed, along with the identification of related positive and negative impacts, risks and opportunities. Furthermore, within the framework of the EFRAG methodology, the scale and scope of impacts, their remediability, access to resources, and the impact of communication methods on business continuity were assessed. The Impact, Risk and Opportunity Analysis presented during the workshop can be found on page 44 of TSKB's TSRS-aligned 2024 Integrated Annual Report.

Stakeholder Engagement

In line with its strategy aligned with national policies and its differentiated business model, TSKB maintains effective collaboration with relevant public institutions and organizations, contributing its insights to various initiatives led by the relevant Ministries in areas such as climate change, impact investing, sustainable capital market instruments, the circular economy and reporting standards. Brief information on the Bank's engagement with other stakeholder groups is presented in the table below. The Bank's responses to stakeholder expectations and recommendations throughout the year are addressed under the relevant capital sections.

Stakeholder Group	Communication Methods (Frequency)	Expectations and Recommendations	Related Capital
DEVELOPMENT FINANCE INSTITUTIONS	Project Development Meetings (Throughout the year, ongoing) Information and Evaluation Meetings (Throughout the year, as needed) Information Reporting (As needed) Stakeholder Engagement Meetings (Every two years) TSKB Development Day (Every year in June)	Expansion of the calculating of financed emissions	Financial Capital Natural Capital
FINANCIAL INSTITUTIONS	Project Development Meetings (Throughout the year, ongoing) Information and Evaluation Meetings (Throughout the year, ongoing) Webinars and Online Meetings (Throughout the year, ongoing) Stakeholder Engagement Meetings (Every two years) TSKB Development Day (Every year in June)	Innovative product development with a sustainability focus	Financial Capital Natural Capital Social Capital
CUSTOMERS	NPS Survey (At the end of the project) Stakeholder Engagement Meetings (Every two years) Social Media (Ongoing) TSKB Development Day (Every year in June)	Development of Social Finance Products	Financial Capital Social Capital
AFFILIATES AND SUBSIDIARIES	Information and Evaluation Meetings (Throughout the year, as needed) Stakeholder Engagement Meetings (Every two years) TSKB Development Day (Every year in June)	Leveraging TSKB's experience and expertise in defining the sustainability strategy and roadmap	Financial Capital Natural Capital Intellectual and Manufactured Capital

Stakeholder Group	Communication Methods (Frequency)	Expectations and Recommendations	Related Capital
INVESTORS	General Assembly Meeting (Every March) Project Development Meetings (Throughout the year, ongoing) Investor Meetings (Ongoing) Investor Relations Department Email & Phone (As needed) Social Media (Ongoing)	Integration of nature-positive financing options into the value creation model	Financial Capital Natural Capital
SUPPLIERS AND SUBCONTRACTORS	Communication Form (As needed) Complaints Mechanism (As needed) Sustainability Performance Evaluation Survey (Annually)	Raising awareness and providing information on environmental and social risk management	Natural Capital Social Capital
ACADEMIC STAKEHOLDERS AND NGOs	Initiative and Working Group Representatives (Monthly) Social Media (Ongoing) TSKB Development Day (Every year in June)	Increasing partnerships and capacity building	Financial Capital Natural Capital Social Capital Human Capital Intellectual and Manufactured Capital
BOARD OF DIRECTORS AND SENIOR MANAGEMENT	Board of Directors Meetings (Monthly) Sustainability Committee Meetings (At least twice a year) Executive Committee Meetings (Monthly) Asset-Liability Committee Meetings (Weekly) Credit Committee Meetings (Monthly)	Incorporating the sustainability aspect into general credit conditions	Financial Capital Natural Capital Social Capital
EMPLOYEES	Open-Door HR Practice (Continuous, as needed) Employee Engagement Survey (Annually) Performance Evaluation Meetings (At least twice a year) Internal Communication Bulletins (Monthly) We Value You! Practices (Continuous)	Continuing digital transformation efforts to enhance efficiency	Human Capital Social Capital Intellectual and Manufactured Capital

GOVERNANCE MODEL

The TSKB Board of Directors is composed of professionals recognized for their expertise, experience, and reputation.



In accordance with the provisions set forth in TSKB's Articles of Association, the Board of Directors consists of 11 members, three of whom are independent, elected by the Bank's General Assembly for a term of up to three years.

CORPORATE GOVERNANCE

TSKB's highest governing body is the Board of Directors. The Board of Directors consists of 11 members, three of whom are independent, elected by the Bank's General Assembly for a term of up to three years in accordance with the provisions of TSKB's Articles of Association.

As of year-end 2025, the number of female members on the TSKB Board of Directors was three, representing 27% of the total. In accordance with the Board of Directors' Inclusion and Diversity Policy, updated in February 2026, TSKB aims for female members on its Board of Directors to constitute at least 30% of the Board's total membership by 2030.

The TSKB Board of Directors, composed of professionals recognized for their expertise, experience, and reputation, includes members with experience in economics, banking, finance, sustainable development, development finance, corporate sustainability, energy, and industry.

The roles of Chairman of the Board of Directors and CEO are held by different individuals, and the CEO also serves as a member of the Board of Directors.

To enhance the effectiveness of the Board of Directors' oversight activities, the following committees have been established:

- Audit Committee,
- Corporate Governance Committee,
- Remuneration Committee,
- Credit Revision Committee,
- Risk Committee, and
- Sustainability Committee.

To facilitate informed decision-making in the process of formulating the Bank's strategies, the Board of Directors may also consult independent advisors in areas of expertise it deems necessary, without obtaining the approval of the Bank's management.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee determines whether the Corporate Governance Principles are implemented at TSKB, the reasons for any non-implementation, and any conflicts of interest arising from non-compliance with these principles. It provides recommendations to the Board of Directors to improve corporate governance practices and oversees the work of the Investor Relations Department.

In 2025, TSKB's Corporate Governance Principles Compliance Rating was maintained at 9.67 out of 10. The report on the periodic review conducted by Saha Corporate Governance and Credit Rating Services can be accessed [here](#).

The committee, composed of at least two non-executive Board Members and the Investor Relations Manager, meets at least four times a year. The non-executive Board Members on the committee are also members of the Nomination Committee.

In 2025, committee members attended all four meetings of the TSKB Corporate Governance Committee in full.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in fulfilling its audit and oversight responsibilities. The committee is composed of at least two non-executive Board Members and meets at least four times a year.

In 2025, the members of the Audit Committee attended all 55 Committee meetings.

REMUNERATION COMMITTEE

The Remuneration Committee determines and oversees the principles, criteria, and practices to be used in the remuneration of Board Members and executives with administrative responsibilities, taking into account the Bank's long-term objectives. It is composed of at least two non-executive Board Members and meets at least once a year.

In 2025, committee members attended the Committee's single meeting in full.

RISK COMMITTEE

The Risk Committee was established to evaluate the risks the Bank is exposed to, develop risk management policies, implement practices related to risk management, determine and monitor risk limits, and ensure coordination between the executive units and internal systems. The Committee meets at least four times a year and reports its activity results to the Board of Directors through the Audit Committee.

In 2025, the members of the Risk Committee fully attended all four Committee meetings in full.

CREDIT REVISION COMMITTEE

The Credit Revision Committee carries out its activities with the participation of the CEO, three Board Members, two Executive Vice Presidents, and relevant department managers. The Committee convenes at least once a year to discuss the evaluation of the credit portfolio and the revision of limits.

In 2025, all members of the Credit Revision Committee attended its single meeting.

LEGAL COMPLIANCE AND BUSINESS ETHICS

Compliance with all applicable laws and regulations, taking measures against corruption in commercial relationships with stakeholders, and conducting activities in light of ethical rules are fundamental components of the corporate governance approach. The banking sector has a long-standing history of business ethics and work discipline. The sector is also comprehensively regulated under international and national legislation. In this context, business ethics and legal compliance efforts are of vital importance to TSKB.

TSKB has a Legal Affairs Department operating under the Executive Vice President and a Corporate Compliance Department structured under the Audit Committee.

The Corporate Compliance Department is responsible for coordinating Know Your Customer (KYC) matters, monitoring regulations that may affect the Bank, and assessing them in coordination with relevant departments. The Legal Affairs Department handles all of the Bank's legal affairs and serves as the Secretariat to the Board of Directors.

TSKB manages its relationships with internal and external stakeholders in line with its established ethical rules and zero-tolerance policies against corruption. All activities are conducted within the framework of operating principles based on enhancing service quality and grounded in the principles of accuracy and integrity. At TSKB, the business ethics implementation framework is shaped by the TSKB Code of Ethics, the TSKB Anti-Bribery and Anti-Corruption Policy, and the principles of the United Nations Global Compact (UN Global Compact), which are binding for all employees at every level and in every position, starting with the members of the Board of Directors. The bank has a Sustainable Procurement Management Policy that is binding specifically for its suppliers and business partners.



TSKB has a grievance mechanism and online channels through which internal and external stakeholders can easily communicate their concerns when they suspect a violation of ethical principles. Along with the TSKB Code of Ethics, which was updated and came into effect with the approval of the Board of Directors in February 2026, the TSKB Ethics Hotline was launched, enabling both internal and external stakeholders to report complaints regarding violations of ethical principles, including sensitive grievances. Details regarding the Code of Ethics and the Ethics Hotline can be found in the Social Capital section on page 135.

Legal compliance and business ethics issues are assessed within the corporate risk management system, and improvement efforts are implemented. Identified areas for improvement are converted into corporate objectives and assigned to the relevant managers. Achievement of objectives in these areas is also evaluated within the performance appraisal and remuneration systems.

In 2025, there were no cases of non-compliance with regulations governing the conditions under which products and services are provided, environmental legislation, or international sanctions and trade restrictions; nor were there any breaches of confidentiality (including the loss or disclosure of customer information to third parties), instances of corruption, or incidents of discrimination. No monetary or non-monetary penalties were imposed on TSKB or its employees for violations in these areas, and no related complaints were submitted to the Bank.

SUSTAINABILITY GOVERNANCE

For TSKB, which operates in the field of development banking, sustainability is more than just a core philosophy shaping its business practices and stakeholder interactions; it is also the central focus of its products and services.

The concept of sustainability is integrated into TSKB's entire value creation model and continues to gain importance.

The fundamental framework of TSKB's sustainability management system is its Sustainability Policy, first published in 2012 and updated over time in line with new developments and stakeholder expectations. Additionally, 11 different policies developed and implemented in the environmental, social, and governance focus areas detail TSKB's sustainability management principles. Among these complementary policies, the Environmental and Social Risk and Impact Management Policy includes the List of Non-Financed Activities, in line with responsible banking principles.

In February 2026, the Sustainability Policy and its complementary policies were updated to reflect the expectations of funding institutions, ESG rating methodologies, and the Bank's evolving practices. Additionally, the Nature and Biodiversity Policy, developed in response to the identification of the protection of nature and biodiversity as a material issue in last year's stakeholder analysis, has been added to the complementary policies supporting the Sustainability Policy. The Bank's climate and nature roadmap can be found in the Natural Capital section on page 95.

Oversight of the Sustainability Management System is conducted periodically through both internal audit processes and annual external audit services. The relevant policies can be accessed [here](#).

As a key component of TSKB's strategy, the focus on sustainability was addressed in the strategic plan for the reporting period in line with themes such as sustainable development, combating climate change, nature and biodiversity, and adaptation, as well as national and international developments such as the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS). At TSKB, sustainability management is carried out through a multi-layered structure of responsibilities, extending from the Board of Directors to the operational units. Decisions made by the relevant bodies at the strategic level are translated into projects and practices at the operational level, thereby contributing to sustainability performance.

The distribution of responsibility for sustainability management, the operational structure of the relevant bodies, their working principles, and other detailed information can be accessed [here](#).



SUSTAINABILITY COMMITTEE

The TSKB Sustainability Committee is the highest-level governance body responsible for implementing the strategies and targets set in line with sustainability objectives.

Established in 2014, the Sustainability Committee carried out its activities during the reporting period with the participation of four Board Members, the CEO, and two Executive Vice Presidents, one of whom is the Sustainability Leader.

Committee members are selected from among individuals with the academic and professional expertise to develop strategies and oversee the management of sustainability-related risks and opportunities, particularly those related to climate.

Ms. Ece Börü, who served as TSKB's CEO between August 2020 and April 2022, led sustainability efforts, including the management of climate-related risks and opportunities, which gained momentum with the establishment of the Climate Risks Working Group in 2020.

Mr. Ozan Uyar, CEO and the sole executive member of the Sustainability Committee representing the Board of Directors, is leading TSKB through key sustainability milestones. Mr. Uyar is also a member of the boards of ERTA and UN Global Compact Türkiye, and of the Advisory Board of Chapter Zero Türkiye, all of which are among the leading initiatives in the field of sustainability.

Mr. Mithat Rende, who became the Deputy Director General for Energy, Environment, and Water Affairs in 2005 and chaired the Trade and Transit Working Group of the Energy Charter Conference in Brussels from 2005 to 2008, served as Chief Climate Change Negotiator and a Member of the Türkiye Nuclear Energy Commission from 2010 to 2013.

Mr. Murat Bilgiç, who served as TSKB's CEO from April 2022 to July 2025, led sustainability efforts such as the target-setting processes for the Bank's 2022 Net-Zero Banking commitment, which were approved by the Science Based Targets initiative (SBTi).

Ms. Meral Murathan, Executive Vice President, serves on the committee as TSKB Sustainability Leader and is responsible for positioning sustainability activities within the framework of strategic planning, guiding sustainability initiatives, and representing the Bank in sustainability communications.

The Committee convened twice in 2025 to coordinate business plans and activities aligned with the sustainability strategy, vision, and targets, and to closely monitor the activities of the Sustainability Management Committee and the Climate Change and Sustainability Management Department, which serves as its secretariat.

In 2025, the Committee carried out review, oversight, and approval activities related to local and global developments, the Climate Law, policy revisions during the reporting period, long-term targets, commitments and performance, the Nature and Biodiversity Roadmap, and the TSRS-aligned Integrated Annual Report. At the General Assembly Meeting to be held in March 2026, shareholders will be informed about the sustainability activities carried out in 2025 and future plans, in line with the climate transition plan and targets aligned with the Sustainable Development Goals.

The Committee is briefed twice a year on TSKB's publicly disclosed targets. Committee members evaluate action plans prepared by responsible teams for areas where targets were not met or performance fell below expectations.

The Climate Change and Sustainability Management Department regularly informs the Committee about changes in regulations and directives throughout the year, as well as developments concerning sustainability and climate risks.

Sustainability-linked metrics and targets have been integrated into the remuneration policies of the executive members serving on the Committee. Following budget discussions, sustainability-linked targets constitute 46% of the objectives set for the entire Bank, including senior management. These objectives are linked to risks and opportunities that are to have a significant impact on the Bank's financial performance during the reporting period and include targets related to sustainable funding, the SDG-linked loan portfolio, portfolio temperature score, digital efficiency, and human capital.

SUSTAINABILITY MANAGEMENT COMMITTEE

The Sustainability Management Committee, established to ensure that sustainability activities are implemented across the Bank and integrated into business processes in line with TSKB's sustainability vision, strategy, targets, and business plans, meets regularly.

The committee, composed of the TSKB CEO, Executive Vice Presidents directly involved in sustainability, managers, and employees of the Climate Change and Sustainability Management Department, supports the execution of the Bank's activities in line with the vision, strategy, and targets set by the TSKB Sustainability Committee.

Integration of Sustainability into the Bank's Scorecard

Sustainability-linked targets accounted for 46% of the targets in TSKB's 2025 scorecard.

Within the sustainability governance structure, the task of coordinating internal integration is undertaken by the Climate Change and Sustainability Management Department.

2025 Committee Agendas

Legislative Updates and Developments

- Climate Law
- Draft Regulation on Türkiye's Green Taxonomy
- Draft Regulation on the Emissions Trading System of Türkiye
- Draft Regulation on Carbon Crediting and Offsetting
- BRSA Guidelines on the Management of Climate-Related Financial Risks
- Communiqué on the Calculation of Banks' Green Asset Ratio
- Turkish Sustainability Reporting Standards
- Net-Zero Banking Alliance decisions
- COP30 and COP31
- 2025 Law Amendments (Amendments to the Environment, Mining, Pasture, Electricity, and Renewable Energy Laws by Law No. 7554)
- Amendments to the Environmental Impact Assessment (EIA) Regulation
- Water Efficiency Regulation
- Industrial Emissions Management Regulation

TSKB-Specific Developments and Topics

- Integrated Annual Report aligned with the Turkish Sustainability Reporting Standards
- Nature and Biodiversity Roadmap
- The Bank's Green Asset Ratio
- Science-based emission reduction targets
- 2050 net-zero roadmap and interim targets
- Long-term sustainable finance targets
- Sustainability strategy
- Climate-based scenario analyses

To enhance technical capacity within the Bank, informational meetings and internal training were organized with the participation of relevant departments.



Oversight of the sustainability governance structure, including the Committees and the Climate Change and Sustainability Management Department, is carried out through internal audit processes conducted throughout the year, as well as annual external audits.

In 2025, developments in the field of sustainability in Türkiye and around the world were closely monitored, capacity was developed to strengthen the sustainability strategy, particularly in relation to nature and biodiversity, and sustainability-based risks and opportunities were assessed. Experiences were shared at stakeholder events with the participation of public and private sector representatives, and contributions were made to the regulatory efforts and action plans of relevant authorities.

CLIMATE CHANGE AND SUSTAINABILITY MANAGEMENT DEPARTMENT

In February 2024, the Climate Change and Sustainability Management Department was established to centrally manage TSKB's sustainability efforts, build a dynamic structure responsive to national and international developments, and effectively monitor and manage the Bank's portfolio in light of long-term targets and commitments. The Department's responsibilities are structured under five main areas of work.

The Climate Change and Sustainability Management team informed the Sustainability Management Committee and the Sustainability Committee throughout the year, for which it also assumed secretarial duties. As part of the goal to enhance technical capacity within the Bank, information sessions and internal training were organized with the participation of relevant departments.

Briefing and brainstorming sessions were held with the participation of various teams on topics such as the SDG Mapping Model, the Nature and Biodiversity Roadmap, the Communiqué on the Calculation of Banks' Green Asset Ratio, the Turkish Sustainability Reporting Standards, and emissions practices in Türkiye and the European Union; these efforts also contributed to the development of TSKB's strategy.

As a stakeholder in Credit Committee meetings, it presents the impact of each project on the Committee's agenda in relation to TSKB's long-term commitments and targets, and conducts analyses that contribute to the integration of sustainability-related risks and opportunities, including climate-related ones, into senior management's decision-making processes.

Oversight of the sustainability governance structure, including the Committees and the Climate Change and Sustainability Management Department, is carried out through internal audit processes conducted throughout the year, as well as annual external audits.

TSKB CONDUCTS ITS ACTIVITIES IN LINE WITH NUMEROUS DECLARATIONS AND WORKING PRINCIPLES TO WHICH IT IS SIGNATORY.

Initiatives and Associations Actively Participated Through Board Membership and Working Groups

- United Nations Environment Programme Finance Initiative (UNEP FI)
- Chapter Zero
- Integrated Reporting Association Türkiye (ERTA)
- Impact Investing Advisory Board (EYDK)
- Global Reporting Initiative (GRI)
- Business Council for Sustainable Development (BCSD Türkiye)
- Net-Zero Banking Alliance (NZBA)
- The Banks Association of Türkiye (TBB)
- Corporate Governance Association of Türkiye (TKYD)
- Turkish Industry and Business Association (TÜSIAD)
- Turkish Investor Relations Society (TÜYİD)
- Institute of International Finance (IIF)
- UN Global Compact Türkiye (UNGC Türkiye)
- International Development Finance Club (IDFC)

TSKB's Signed Declarations and Principles

- IDFC Climate Declaration
- European Long-Term Investors (ELTI) - COP21 Declaration on the Transition to a Low-Carbon Economy
- Women's Empowerment Principles (WEPs)
- EBRD - UNEP FI Joint Declaration on Energy Efficiency
- Global Compact Türkiye Declaration on Sustainable Finance
- UNEP FI Principles for Responsible Banking (Founding Signatory)
- IDFC Declaration on Gender Equality and Justice
- Social Investment Coalition - Social Investment Declaration
- Business Plastic Initiative
- Partnership for Carbon Accounting Financials (PCAF)

Finance in Common Summit (FiCS)

- Declaration on a Sustainable and Resilient Global Recovery
- Biodiversity Declaration
- Declaration on Gender Equality and Women's Empowerment

International Development Finance Club (IDFC)

TSKB continued its work within the IDFC—of which it has been an active member since 2011 and a Steering Committee member since 2019—on issues such as gender equality, climate change, biodiversity, and alignment with the SDGs.

Highlights from 2025 regarding the Gender Equality and SDG Alignment Working Groups, in which TSKB actively participates within the IDFC, are detailed in the Social Capital section.

In 2020, in line with its vision of creating a financial ecosystem in harmony with nature, TSKB signed the Biodiversity Declaration

issued at the IDFC Finance in Common Summit, affirming its support for global commitments to biodiversity conservation and its intention to continue promoting nature-sensitive investments through sustainable financing models. This commitment reflects TSKB's determination to integrate biodiversity into its financial decision-making processes and underscores its mission to strengthen nature-based solutions and contribute to sustainable development.

In 2025, TSKB actively participated in the IDFC Biodiversity Working Group, taking part in capacity-building programs that covered global financial frameworks, the TNFD LEAP approach, investment assessment methodologies, and biodiversity risk and materiality analysis, all of which support the integration of nature into financial decision-making processes. With its Nature and Biodiversity Policy published in February 2026, TSKB aims to further enhance its capacity in this area, assume a more effective role in the Biodiversity Working Group of which it is a member, and increase its contribution to global efforts for nature conservation.

As a member of the IDFC Climate Working Group, TSKB contributed to the comprehensive revision process of the Common Principles for Climate Mitigation Finance Tracking methodology, conducted jointly with Multilateral Development Banks (MDBs), and shared its technical opinions and recommendations. As part of the update process, which continued throughout 2025 and is scheduled for publication in 2026, the Bank submitted its assessments aimed at strengthening the methodology's consistency, comparability, and effectiveness in implementation.

In the joint IDFC statement released ahead of COP30 in Brazil in November 2025, TSKB supported the collective goal of contributing to the expansion of financing approaches that deliver simultaneous benefits for climate and nature and of mobilizing USD 100 billion

in biodiversity finance by 2027. Within this framework, the goal was set for at least 10% of IDFC green financing to generate measurable biodiversity outcomes by 2030.

United Nations Climate Change Conference (COP30)

TSKB participated in the United Nations Climate Change Conference (COP30), held in Belém, Brazil, from November 10 to 21, 2025, with its Climate Change and Sustainability Management and Economic Research teams.

Marking the tenth anniversary of the Paris Agreement, COP30 was expected to address the implementation of the Agreement throughout the conference. Billed as the "Implementation COP," COP30 was also described as the "COP of Truth" by Brazilian President Luiz Inácio Lula da Silva.

COP30 was a summit where both progress and political fractures in global climate policy were observed simultaneously. The most contentious topic of the summit was the establishment of a global roadmap for phasing out fossil fuels; a clear call for a "phase-out" in line with the 1.5°C target could not be fully incorporated into the text, primarily due to objections from energy-exporting countries. In contrast, significant momentum was gained on topics such as nature-based solutions, forest protection mechanisms, and community rights.

On the adaptation finance front, although the "Mutirão" decision made a political call to triple annual financing outflows from adaptation funds by 2030 compared with 2022 levels, the absence of binding targets indicated that financing uncertainty would persist. Carbon markets and Article 6 negotiations remained unresolved, and the uncertainty in this area was carried forward to COP31, which will be held in Türkiye.

Another prominent theme of the summit was the positioning of a just transition at the center of both energy and industrial policies. Countries emphasized that the transition to a low-carbon economy must be designed not only with technology but also with policies for employment, income distribution, regional development, and social protection. This framework served as one of the reference points for finance and policy discussions throughout COP30. On the other hand, the EU's implementation of the Carbon Border Adjustment Mechanism and new trade regulations heightened concerns about "green protectionism" in developing countries, signaling the need to re-examine the climate-trade relationship through multilateral dialogues. Finally, the new Gender Action Plan adopted at COP30 was considered a significant step toward institutionalizing the gender dimension in climate policies. Following these outcomes, and with COP31 set to be held in Türkiye, the country was positioned as the main platform where, under Australia's presidency of the negotiations, both outstanding issues would be addressed and the new direction of global climate diplomacy would be shaped.

The side events at COP30, in parallel with the international negotiation agenda, clearly demonstrated that the climate and nature agenda now requires not just sectoral transformations but a multi-layered transformation addressing energy, industry, ecosystems, and social development collectively. Although financing for mitigation technologies, such as renewable energy, to combat climate change has been widely adopted globally, discussions at side events this year focused on adaptation finance, nature-based and restoration investments, the green industry (especially green steel), and the strategic role of hydrogen technologies in energy security.

The fact that financing is the biggest bottleneck, the strong participation of Asian and African development banks, and the rapid scaling of instruments such as blended finance, guarantees, and hybrid capital by MDBs were prominent themes in the COP30 panels. In addition, a just transition was at the center of both energy and industrial policies. In this context, it was emphasized that the transition to a low-carbon economy should be a holistic process that includes not only a technological transformation but also policies for employment, income distribution, regional development, local livelihoods, and social protection.

One of the most important outcomes at COP30 regarding industrial policy design was the "Belém Declaration for Green Industrialization." In addition to Türkiye, 35 countries and international institutions, including Germany, the United Kingdom, and South Korea, signed the declaration, while among the multilateral development banks, the European Bank for Reconstruction and Development (EBRD) was a notable signatory. The purpose of the declaration was to support the design and implementation of green industrial policy. Accordingly, the declaration envisages the wider adoption of green industry practices and joint efforts to transform high-emission industries.

- The scale of the financing gap was a key theme at COP30: Discussions on the finance side focused on how the trillion-dollar gap in nature and climate finance could be bridged through blended finance, guarantee mechanisms, and innovative credit structures.
- Multilateral Development Banks (MDBs) are entering a new era with common standards and methodologies: The development of common standards and methodologies by MDBs signals a new era of standardization and impact measurement in the global financial architecture.
- Adaptation finance became a growing priority across all pavilions: The value of investments was assessed through an "avoided losses" approach, with grid, water, agriculture, and urban infrastructure coming to the forefront.

- Restoration, biocarbon, and watershed-based models are being positioned as new, scalable investment classes.
- The Landscape Finance approach emerged as an innovative portfolio model that reduces risk and creates scale through project clusters.
- In the energy transition, circularity and raw material efficiency are considered part of energy security.
- The Climate Club is strengthening its role as a global coordination platform for the green industrial transition.
- Biodiversity markets are in the development stage; standards, MRV (Monitoring, Reporting, and Verification) infrastructure, and publicly supported financing mechanisms are seen as critical.
- With greater focus on the Amazon and indigenous communities, deforestation-free supply chain criteria are expected to become stricter.

The outcomes of COP30 serve as an important roadmap for developing countries like Türkiye, while the hosting of COP31 in Türkiye presents a unique opportunity for the country to develop an inclusive and scalable climate-nature finance ecosystem aligned with these global trends. For public institutions, the financial sector, and the real sector alike, the discussions that emerged at COP30 highlight the importance of robust preparation in the areas of policy, collaboration, and product development in the run-up to COP31.

TBB Sustainability Initiatives

The Sustainability Working Group, operating within the Banks Association of Türkiye (TBB) since 2009, provides guidance to banks on systematically managing the predictability, transparency, and traceability of environmental and social issues.

In the Working Group, which we co-chaired again this year, the main agenda items were the impact on the financial sector of regulations issued by the BRSA, the Climate Law, and subsequent supplementary draft regulations on the financial sector.

Under heading No. 3, "Green Finance," of the Green Deal Action Plan published in the Official Gazette on July 16, 2021, responsibility and coordination for action item 3.2.5, "Determining a roadmap for the development of sustainable banking," were assigned to the BRSA in line with objective 3.2, "Developing an ecosystem to support the growth of green finance in Türkiye."

To support the financing of activities aimed at reducing greenhouse gas emissions, manage financial risks arising from climate change, and develop sustainable banking activities within the scope of the Paris Agreement and the European Green Deal, the "Sustainable Banking Strategic Plan" was adopted by BRSA Decision No. 9999, dated December 24, 2021. In 2024, the TBB Sustainability Working Group continued the activities envisaged in the "Actions" categories of the Sustainable Banking Strategic Plan, where the TBB was designated as the "Responsible/Coordinating Institution" and the "Collaborating Institution."

As part of these efforts, the Working Group focused on the implementation of the "Communiqué on the Calculation of Banks' Green Asset Ratio," published by the BRSA on April 11, 2025. This year, the Sustainability Working Group addressed the implementation of the Technical Screening Criteria, a supplementary document to the relevant communiqué prepared by the TBB working group under BRSA supervision, the development of which began in 2021. As a result of four separate workshops and meetings with the BRSA on this subject, the banking sector in Türkiye has been reporting its Green Asset Ratio to the BRSA since September 2025.

The Bank, as part of its co-chair responsibility in the TBB Sustainability Working Group, participated in the discussions on the Climate Law Proposal at the Environment Committee of the Grand National Assembly of Türkiye. Furthermore, following the publication of Climate Law No. 7552 on July 2, 2025, the Bank exchanged views with stakeholders at the Climate Law workshop organized under the coordination of the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye regarding the upcoming Türkiye Emissions Trading System (ETS), Türkiye Carbon Offsetting System, Use of ETS Revenues, Türkiye Green Taxonomy, Just Transition policies, and related secondary regulations. In addition, in 2025, the Bank contributed to the decision-making process for the design parameters in the Draft Regulation on Türkiye's Green Taxonomy at the Climate Finance Working Group organized by the Republic of Türkiye Ministry of Environment, Urbanization, and Climate Change.

Business Council for Sustainable Development (BCSD Türkiye)

TSKB engages in significant collaborations within BCSD Türkiye, of which it has been a member and an active participant since 2014, and leverages opportunities to share knowledge and experience with other member companies.

In 2024, TSKB was elected Vice Chair of the Board of Directors of BCSD Türkiye. The Bank also chairs the Financial Products and Services Working Group operating within the Association. During the 2024–2025 period, the Bank undertook two different projects planned in the Working Group, ensuring impact-oriented contributions within the Association.

The first project, aimed at mapping the products of financial institutions related to sustainable finance themes and criteria, was completed. This project enables private sector representatives to identify suitable themes for their investments, check the criteria, and contact the relevant financial institutions.

Details of the second social-themed project completed in 2025 can be found in the [Social Capital](#) section.

Stakeholder Meetings with Public Institutions

In 2025, in addition to its co-chairmanship responsibility in the TBB Sustainability Working Group, TSKB participated in consultation processes with public institutions as a financial stakeholder. Experiences regarding the international financial sector and sustainable finance were shared, particularly in meetings with the Directorate of Climate Change on the Climate Law, the development of the Türkiye Green Taxonomy, and the impacts of COP31 on Türkiye's economy.

During the period in which it was preparing its nature and biodiversity roadmap, the Bank participated in workshops organized under the Global Biodiversity Framework Early Action Support Project, which was supported by the Global Environment Facility (GEF) and the United Nations Environment Programme (UNEP), and coordinated by the General Directorate of Nature Conservation and National Parks of the Ministry of Agriculture and Forestry and the Nature Conservation Center. In this context, the Bank contributed as a financial stakeholder to efforts to review the alignment of National Biodiversity Strategies and Action Plans with the new global framework, to analyze gaps in monitoring systems, and to develop a national monitoring action plan.

Additionally, TSKB actively contributed as a financial sector stakeholder to the preparation process of the National Biodiversity Finance Plan, which aims to support Türkiye in achieving its national biodiversity targets. This initiative is being carried out under GEF-8 in collaboration with the Ministry of Agriculture and Forestry's General Directorate of Nature Conservation and National Parks and the United Nations Development Programme (UNDP), leveraging TSKB's leading role in development banking and its institutional expertise in sustainable finance.

On the finance side, TSKB participated this year in the Climate Investment Funds (CIF) Scoping Mission meeting, organized under the coordination of the Republic of Türkiye Ministry of Treasury and Finance. Under the program, which includes Türkiye among its beneficiary countries and aims to support the decarbonization of high-emission sectors, Türkiye was selected as one of seven countries to prepare an investment plan of up to USD 250 million. In the meetings held within this framework, the Bank shared its views and assessments in line with its expertise in sustainable finance.

Additionally, under the coordination of the Republic of Türkiye Ministry of Treasury and Finance, the Bank contributed to the consultation process for the national climate action list being prepared as part of the Climate Policy-Based Financing planned to be provided by the Asian Infrastructure Investment Bank, and shared its views and recommendations on climate legislation, policy tools, and financial mechanisms. TSKB will continue its consultation efforts until the COP31 agenda is finalized and will maintain its commitment to promoting an inclusive climate finance approach that spans from mitigation to adaptation while addressing vulnerable groups in a just and equitable manner. In this context, experiences related to the international financial sector and sustainable finance were shared, particularly in meetings with the Directorate of Climate Change on the Climate Law, the development of the Türkiye Green Taxonomy, and the impacts of COP31 on Türkiye's economy.

SUSTAINABILITY INDICES

Corporate Knights - Global 100 Most Sustainable Corporations

39th Globally - 21st in Europe

The only bank from Türkiye on the list
Ranked first among four international banks

S&P CSA

52 | First-time participation in 2025

Sustainalytics

7.4 Risk Score

Negligible Risk Category

1st in Türkiye

1st among 90 international development banks

12th among 1,012 international banks

Moody's ESG Credit Impact Score

2 | Neutral-Low

LSEG

82/100

Among the leading banks in Türkiye

BIST Sustainability Index

BIST Sustainability 25 Index

Fitch ESG Credit Relevance Score

2 | Irrelevant

Sustainable Fitch

63/100

Category 2

Ranked first in Türkiye

Above the EMEA average

Above the global average

TSKB SUSTAINABILITY JOURNEY

1980

Integration of environmental factors into the loan evaluation processes

1990

First environmental loan disbursement

2005

Establishment of the Environmental Management System (EMS)

Design of the Environmental and Social Risk Evaluation Tool (ERET)

2006

Publication of the Environmental Policy

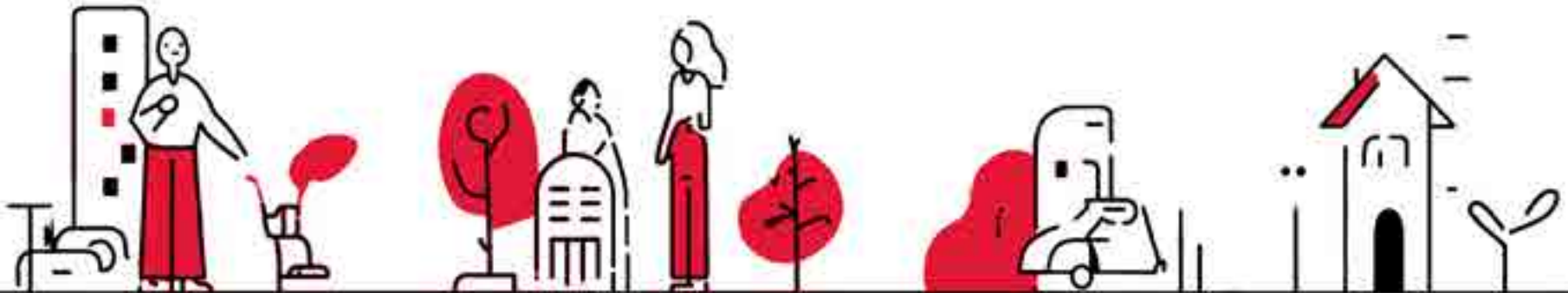
2007

First Turkish Bank to obtain ISO 14001 Environmental Management System

Assessment of all investment projects under the ERET Model

2008

Publication of the first Sustainability Report



TSKB SUSTAINABILITY JOURNEY

2010

Membership
in the United
Nations Global
Compact
(UNGC)

Publication
of the first
GRI-Approved
Sustainability
Report

2011

Establishment
of Escarus, a
sustainability
consultancy
company

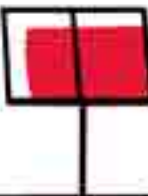
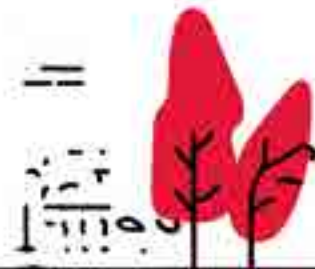
2012

First Turkish
Bank to obtain
ISO 14064
Certification

Revision of the
Environmental
Policy and
EMS into a
Sustainability
Policy and
Sustainability
Management
System (SMS)

2014

Establishment
of the
Sustainability
Committee



2015

Inclusion
in the BIST
Sustainability
Index

Update of the
Sustainability
Policy

2016

Issuance of the
first green/
sustainable
bond in
Türkiye and
the CEEMEA
Region

2017

World's first
sustainable Tier
II bond issuance

First Impact
and Allocation
Report
published in
Türkiye

First Integrated
Report
published in the
Turkish financial
sector

2019

Coordination
Unit
Directorship
of the IDFC
Climate Facility

Founding
signatory to
the UNEP FI
Principles for
Responsible
Banking



TSKB SUSTAINABILITY JOURNEY

2020

Development of the
SDG Mapping Model

Best ESG Risk
Rating in Türkiye by
Sustainalytics

First loan
disbursement under
the SDG Loan Model

Signatory to the
Finance in Common
Summit Declarations
on Sustainable
and Resilient
Global Recovery,
Biodiversity,
Gender Equality
and Women's
Empowerment

First ESG Risk Rating-
linked club loan
secured in Türkiye

Active participation
in the TBB
Sustainability
Working Group

Facilitation of
the world's first
sustainable lease
certificate (sukuk)
issuance

2021

Implementation
of the
Sustainability
Strategy

2022

Inclusion in the
Top 50 Global
Institutions based
on Sustainalytics
ESG Risk Rating

Publication of the
TSKB Responsible
Communication
Policy and
Guideline

2023

Ranking 10th
among global
banks based on
Sustainalytics
ESG Risk Rating



2024

1st place in the Equileap Emerging Markets Gender Equality Ranking

First TSKB Development Day

Hosting of the IDFC Steering Committee Meeting

2025

First in Türkiye: 2024 Integrated Annual Report fully aligned with TSRS 1 and TSRS 2

Global First: First report audited in accordance with IFRS S1 and IFRS S2

Only Turkish bank included in the Corporate Knights Global 100 Most Sustainable Companies List

Launch of the TSKB Gender Equality Certification Program

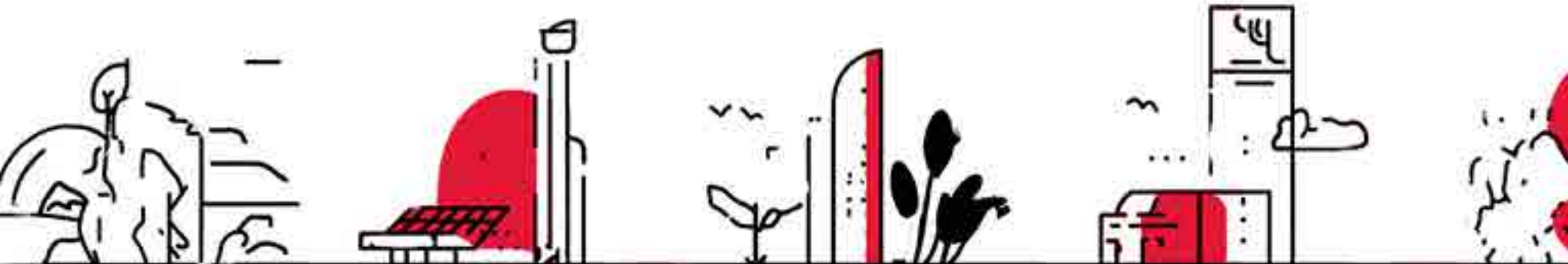
2026

Publication of the Nature and Biodiversity Policy

Revision of the Sustainability Policy and Complementary Policies with a nature and biodiversity focus

2030

USD 3 billion in social-themed financing to be provided between 2024 and 2030



STAKEHOLDER ENGAGEMENT

We promote knowledge sharing through the strong collaborations we establish with our stakeholders.



Through transparent and inclusive partnerships with the public sector, the financial sector, the private sector and all our business partners, we strengthen our continuously evolving value creation model and contribute to economic and social transformation.



WE VALUE KNOWLEDGE SHARING AND COLLECTIVE ACTION

Public Sector

We participate in consultation meetings organized by relevant ministries and public institutions, supporting efforts by providing feedback on various areas such as climate change, impact investments, sustainable capital market instruments, circular economy, and reporting standards.

Banking Sector

We meet with sector representatives on various platforms, primarily through the Banks Association of Türkiye, to collaboratively develop sector standards.

Development Banks

We value knowledge sharing focused on development and sustainability with other development banks worldwide that differentiate themselves with their mission and value creation models. As the sole Turkish member of the International Development Finance Club, we collaborate on various fields, including climate change, biodiversity, gender equality, and the Sustainable Development Goals.

Private Sector

Through our membership in various associations and initiatives, we meet with private sector representatives and have the opportunity to listen to the needs of different sectors. By sharing best practices and identifying areas for improvement, we contribute to the transformation of these sectors while also raising awareness.

WE ARE CONTINUOUSLY EVOLVING WITH OUR DYNAMIC VALUE CREATION MODEL

Employees

With our expert human capital, we are setting numerous milestones in our sustainability journey, aligned with our long-term strategy, targets, and commitments.

Subsidiaries

We work in synergy with our subsidiaries, established with our technical expertise. Together, we create value in various areas, generating numerous opportunities for mutual growth.

Suppliers

We value the consideration of environmental, social, and governance issues by our suppliers and collaborate with them to raise awareness in these areas.



WE SUPPORT INCLUSIVE AND SUSTAINABLE DEVELOPMENT

Customers

We aim to be a partner in our customers' green and inclusive transformations. We provide multifaceted services not only through our lending activities but also with our advisory services.

Investors

We continuously inform our investors within the scope of our targets and commitments.

Financial Institutions and Development Finance Institutions

Through our long-term collaboration with fund providers, we create partnership opportunities to address the needs of our country and our clients.

CAPITALS

68	Financial Capital
92	Natural Capital
130	Social Capital
144	Human Capital
156	Intellectual and Manufactured Capital

**THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT**

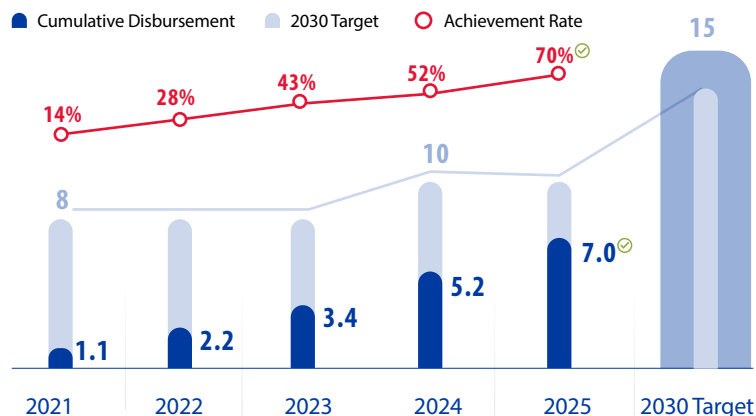
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FINANCIAL CAPITAL

Target: Provide USD 15 billion or more in SDG-linked financing by 2030



Target: Maintain the share of SDG-linked loans in the total portfolio at 90% or above

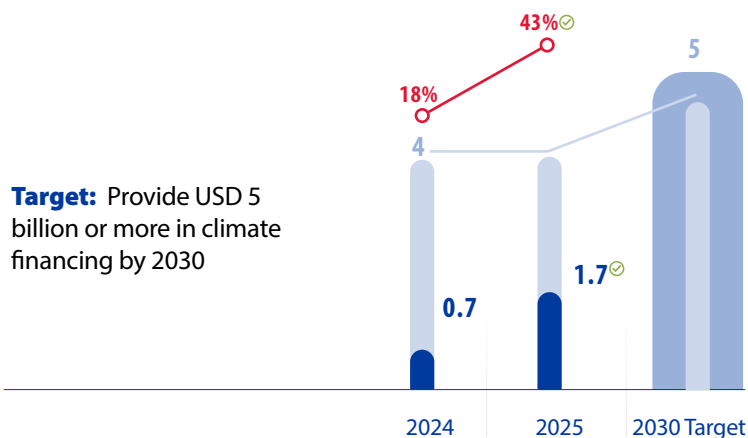
Target: Maintain the share of loans contributing to climate- and environment-related SDGs in the total loan portfolio at 60% or above

2025 Target Performance

SDG-linked loans 92% ✓

Climate and environment focused SDG-linked loans 59% ✓

■ Cumulative Disbursement ■ 2030 Target ○ Achievement Rate



Target: Provide USD 5 billion or more in climate financing by 2030

Target: Provide USD 600 million in **earthquake recovery financing** between 2024 and 2026 ✓

600 ✓
USD MILLION
IN FINANCING

Target: Provide USD 600 million or more in **SDG-linked financing focused on social development** by year-end 2026 ✓

600 ✓
USD MILLION
IN FINANCING

Target: Provide USD 200 million or more in financing for **women's employment and women's empowerment** by year-end 2026 ✓

200 ✓
USD MILLION
IN FINANCING

New Target*: Provide USD 3 billion or more in social financing by 2030

3
USD BILLION
IN FINANCING

**The social finance target, previously defined across sub-themes, has been consolidated into a single target effective from 2025, with its scope redefined in line with the SDG Mapping Model methodology.*



FUTURE TARGETS

- Provide USD 15 billion or more in SDG-linked financing between 2021 and 2030.
- Maintain the share of SDG-linked loans in the total portfolio at 90% or above by 2030.
- Provide USD 5 billion or more in climate finance between 2024 and 2030.
- Maintain the share of loans contributing to climate- and environment-related SDGs in the total loan portfolio at 60% by 2030.
- Provide USD 3 billion or more in social finance between 2024 and 2030.
- Generate financing to support the transition of real sector companies to a low-carbon economy in line with our Net Zero target for 2050.
- Do not finance new or capacity expansion investments in coal-fired power plants and coal mining for power generation, and phase out coal-related exposure in the loan portfolio by the end of 2035.

FINANCIAL CAPITAL

In 2025, TSKB continued to support its growth strategy with capital adequacy ratios well above legal requirements.

350

USD MILLION

5-year bond
issuance

HIGHLIGHTS OF 2025

Financial performance in line with targets, supported by strong liquidity, diversified funding capacity, and high capital adequacy

In 2025, TSKB provided approximately USD 2 billion in long-term cash financing for Türkiye's sustainable and inclusive development, increasing its loan portfolio to TL 235.9 billion, representing 11.2% growth on an FX-adjusted basis. The Bank maintained its distinct performance with a net interest margin of 5.6%, reaching a cumulative net profit of TL 11.4 billion. A record level of funding was achieved during the year, with a total of USD 1.8 billion secured from international markets and financial institutions—including a Eurobond, bilateral agreements, private placements, and a syndication loan—in addition to USD 1.1 billion in loan agreements signed with six different development finance institutions.

The Bank maintained its prudent approach with a total loan coverage ratio of 4.5%, above the sector average, and a free provision buffer of TL 1.1 billion, while the ratio of Stage 2 and Stage 3 loans remained below 10% of total loans. In 2025, the Bank continued to support its growth strategy with capital adequacy ratios well above legal requirements. It achieved a capital adequacy ratio of 20.3% on a basis excluding BRSA regulatory adjustments. Furthermore, the Bank recorded a return on equity of 29.3% as of year-end 2025, maintaining a level above the sector average for the past three years. Details on the financial results can be found on page 91.

Diversified funding structure through strong collaborations

In 2025, TSKB signed five different funding agreements with OPEC, AIIB, OeEB, EBRD, and KfW. In the last quarter of the year, the Bank secured over USD 1 billion in development-focused funding, including a EUR 300 million loan agreement with a partial guarantee from the IBRD and a counter-guarantee from the Republic of Türkiye Ministry of Treasury and Finance. Over 80% of the non-withdrawn DFI funding, fully guaranteed by the Republic of Türkiye Ministry of Treasury and Finance, is climate- and environment-related, while the remainder supports the green transformation of earthquake-affected regions. As an active player in international capital markets for over a decade, TSKB successfully completed a USD 350 million, five-year bond issuance in June through an intraday transaction. The transaction, which was more than twice oversubscribed, added 10 new investors to the Bank's investor base. The funding structure was diversified during the year with private placements amounting to USD 30 million. Full details on the funding structure can be found starting on page 72.

Sustainable finance targets revised upward with a focus on the SDGs

Under the SDG Mapping Model which was developed in 2020, TSKB first set its SDG-linked finance target in 2021 and expanded it in 2024 by adding a climate finance target. As of 2026, the Bank revised its targets upward, increasing its SDG-linked finance target from USD 10 billion to USD 15 billion and its climate finance target from USD 4 billion to USD 5 billion. The Bank also strengthened its commitment to social development, which is among its co-priority strategic focus areas, by setting a social finance target of USD 3 billion by 2030 with the same maturity as its other two targets. All financial targets and the Bank's performance can be found on page 68.

Themes from the Climate Change and Inclusivity Perspective in 2025

In addition to its ongoing themes of combating climate change and empowering women in the economy, TSKB signed significant funding agreements in 2025 under the themes of Adaptation and Youth Employment. The in-house developed AdapTool is used to conduct quantitative and qualitative analyses of clients' exposure levels to physical climate risks, their adaptation capacities, and corporate awareness. Similarly, an assessment tool for youth employment analyzes clients' current status and commitments regarding youth inclusivity policies and practices, including recruitment, career development, training, and communication. By enhancing the effectiveness of its thematic financing through the assessment tools it has developed across various themes, the Bank continues to be a key stakeholder in its clients' transformation journeys. Details on the impact created through themes, particularly renewable energy and women's employment, can be found on page 72.

First investment of the Türkiye Green Fund

The first investment of the Türkiye Green Fund—the first venture capital fund in Türkiye and worldwide established with credit financing and focused on emissions reduction and inclusive transformation, established by TSKB with a USD 155 million loan from the World Bank under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance—was made to Ateş Çelik, one of the pioneering domestic equipment manufacturers in the renewable energy sector. Following the partnership, it is planned to undertake new investments within Ateş Çelik, a key player in the Turkish market, and to significantly increase its export capacity, thereby substantially expanding its share in international markets. Investments under the Türkiye Green Fund will continue in the period ahead. Details on the Türkiye Green Fund can be found on page 77.

Growth focused on investment loans

In 2025, within the scope of its Corporate Banking and Project Finance activities, TSKB disbursed USD 2 billion in cash loans to support inclusive and strategic development areas such as climate and earthquake finance, renewable energy, energy and resource efficiency, capacity expansion in manufacturing, new technology investments, and women's and youth employment. Of this amount, USD 1.9 billion was extended to corporate clients as long-term investment and medium-term working capital loans. Details on the impact created through the Bank's loan portfolio can be found starting on page 77.

SELECTED PROJECTS FINANCED DURING THE YEAR

First Transition Finance-Labeled Investment

The Bank entered into a collaboration with a client in the cement sector for investments in a solar power plant and a waste heat recovery facility aimed at mitigating climate change-related risks. The loan agreement, executed in line with Net Zero commitments approved by the Science Based Targets Initiative supports Türkiye's transition to a low-carbon economy and pioneers the green transformation of the cement sector. This collaboration, which marks the first loan structured by TSKB as Transition Finance under its Sustainable Finance Framework in line with international standards, reflects the two institutions' shared vision on renewable energy, energy efficiency, and climate risk mitigation, and will contribute to Türkiye's sustainable development in line with its 2053 Net Zero target.

First Project Finance Transaction in the Agricultural Sector in Türkiye

TSKB provided financing for Türkiye's largest modern greenhouse project, which was funded by the IBRD. This collaboration, which represents the first project finance transaction in the agricultural sector in Türkiye, will implement good agricultural practices. As part of the project, greenhouse areas will be heated in a cyclical manner using geothermal energy, a renewable energy source, and innovative technologies will be used to ensure the efficient use of water resources. The project, in which 75% of employees are expected to be women, aims to create direct employment for more than 800 people.

Türkiye's longest-term financing

A long-standing client of the Bank, recognized among the leading institutions in Türkiye's renewable energy and energy storage sectors, obtained cash financing from a leading German investment bank, backed by a letter of guarantee provided by TSKB. This collaboration was a milestone for Türkiye's energy sector; it marked the signing of the longest-term financing agreement in Türkiye's history, with a 22-year maturity. In addition to wind capacity expansion investments, the financing will enable one of the largest investments to date in Türkiye's energy storage sector.

Digital infrastructure investment from TSKB

The fiber optic infrastructure extending from eastern to western Türkiye will be strengthened with a loan obtained under a project finance facility provided by the Asian Infrastructure Investment Bank (AIIB). A TSKB client operating a 1,850 km fiber optic network spanning Türkiye from east to west aims to make the country's digital backbone more resilient through financing obtained for investments in upgrading the energy infrastructure at its communication points and data operations facilities.

Thanks to the new investments, infrastructure resilience will be enhanced, making it possible to ensure service continuity even during potential power outages. This will help improve the quality of service offered to domestic and international telecom companies and strengthen Türkiye's strategic role in the digital economy.

Support for Türkiye's largest unlicensed wind power plant (WPP) project

Through the financing it provided to its client, one of the fastest-growing companies in Türkiye's energy sector, TSKB will support investments in wind and solar power plants intended for the self-consumption of the client's group companies. Under this model, known as a Renewable Energy Investment and Supply Agreement and representing Türkiye's largest unlicensed WPP investment, the energy facility required by the consumer is built and operated, with the full investment cost covered by the operator.

27% market share in medium and long-term loans

With a 27% market share in medium- and long-term loans, TSKB provides its clients with medium- and long-term financing in line with its vision of being a leading bank in Türkiye's sustainable development. During 2025, the Bank allocated cash and non-cash loan limits of USD 2.8 billion to corporate clients and signed new loan agreements exceeding USD 2.5 billion. As of year-end 2025, 13% of TSKB's loan portfolio consisted of loans with maturities of less than one year, while 34% had maturities of five years or more. The average loan maturity is approximately five years. As of year-end 2025,

investment loans constituted 81% of TSKB's total loan portfolio. In the same period, the share of working capital loans was 12%, while other loans, including APEX, accounted for 7%.

TSKB FUNDING STRUCTURE

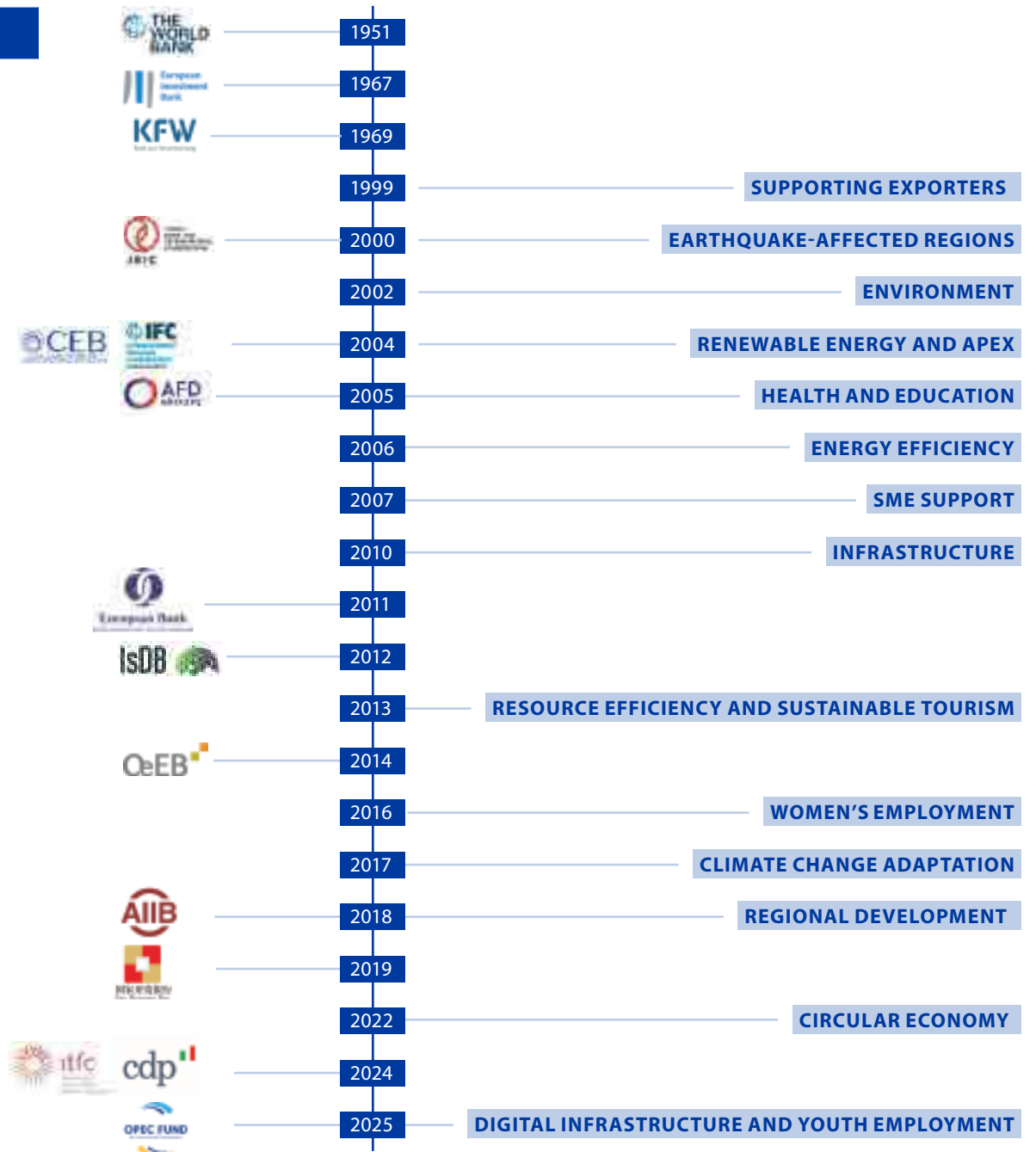
Close Collaboration with Development Finance Institutions

Funding obtained from development finance institutions (DFIs) accounted for 61% of TSKB's funding structure during the reporting period, reflecting the Bank's strong recognition in international financial markets. 83% of these funding were obtained under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance. TSKB works in close collaboration with development finance institutions such as the International Bank for Reconstruction and Development (IBRD), the European Investment Bank (EIB), the German Development Bank (KfW), the Asian Infrastructure Investment Bank (AIIB), the Islamic Development Bank (IsDB), the French Development Agency (AFD), the China Development Bank (CDB), the Council of Europe Development Bank (CEB), the Japan Bank for International Cooperation (JBIC), the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), the Development Bank of Austria (OeEB), and, since 2024, the International Islamic Trade Finance Corporation (ITFC), the Italian National Promotional Institution (CDP), and the OPEC Fund for International Development. With the IsDB and ITFC loan agreements signed to finance projects and investments aimed at supporting economic recovery and social rehabilitation in the provinces affected by the earthquakes in Türkiye on February 6, 2023, we have also integrated

Islamic banking practices into our value creation model. In this context, Advisory Committee services have been engaged to oversee the compliance of interest-free banking products offered by TSKB with relevant legislation and the provisions of Islamic law. The Advisory Committee Report can be found on page 202.



COLLABORATIONS WITH DEVELOPMENT FINANCE INSTITUTIONS AND THEMES



OPEC Fund Loan

On February 10, 2025, TSKB secured EUR 50 million in financing from the OPEC Fund for International Development. The purpose of the loan was defined as contributing to Türkiye's green transformation goals by financing sustainable investment areas such as renewable energy, energy efficiency, climate change adaptation, climate-related equipment manufacturing, and the circular economy. The financing was secured through the on-lending of external debt via the Republic of Türkiye Ministry of Treasury and Finance, and this agreement marks the first collaboration between TSKB and the OPEC Fund. The funding is intended to help TSKB diversify its sustainable financing sources and support low-emission, climate-resilient projects.

OeEB Loan

On May 28, 2025, TSKB signed a EUR 25 million loan agreement with the Development Bank of Austria (Oesterreichische Entwicklungsbank – OeEB). The purpose of the loan was to provide financing for renewable energy and energy efficiency investments throughout Türkiye. This financing marks the third collaboration between TSKB and OeEB and aims to provide long-term funding to sustainable energy projects in the private sector. The funding were planned specifically for financing projects with low environmental impact and a focus on green transformation. This agreement is part of TSKB's strategy to strengthen its partnerships with international financial institutions that focus on sustainable development and environmental issues.

AIIB Loan

On May 28, 2025, TSKB signed a USD 200 million loan agreement with the Asian Infrastructure Investment Bank (AIIB). The purpose of the loan was defined as providing financing for climate-focused investments throughout Türkiye in line with the Paris Agreement, including renewable energy, energy efficiency, climate change mitigation and adaptation, climate industries, and digital infrastructure. The funding was secured under a repayment guarantee from the Republic of Türkiye Ministry of Treasury and Finance and provides long-term financing for sustainable, low-carbon investments in the private sector. This agreement represents a significant continuation of the sustainable development-focused collaboration between AIIB and TSKB.

EBRD Loan

On June 5, 2025, TSKB signed a EUR 75 million loan agreement with the European Bank for Reconstruction and Development (EBRD). The purpose of the loan was defined as supporting businesses in Türkiye to increase youth and women's employment and to provide financial support to companies affected by the February 6, 2023 earthquakes; at least 15% of the resources will be allocated to companies supporting youth employment, at least 15% to firms operating in or investing in earthquake-affected regions, and the remainder will be disbursed to companies that support women's employment and adopt inclusive policy practices. This financing was the first loan received from the EBRD under the theme of inclusivity. It is also the first loan among the funds provided by the Bank to include youth employment. Thus, the collaboration between the two institutions has expanded beyond climate-focused agreements.

World Bank Partially Guaranteed Loan

In October 2025, TSKB secured EUR 300 million in financing from international financial institutions BNP Paribas, Standard Chartered Bank, and ING Bank, 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 Republic of Türkiye Ministry of Treasury and Finance. Thanks to the Financing Adaptation for Growth Project, awareness of climate risks among companies across Türkiye will be raised, and investments and practices that make them resilient to these risks will be supported, thereby enabling them to achieve a more competitive and sustainable structure. This transaction will also make a tangible contribution to strengthening Türkiye's overall capacity to adapt to climate change and to achieving its climate targets.

As part of the loan, an adaptation-themed assessment tool (AdapTool) was developed by TSKB for application to companies. A first of its kind, AdapTool will raise awareness of climate risks among companies and assess their needs based on their vulnerability profiles. In this context, the plan is to encourage measures and investments such as infrastructure resilience, energy efficiency, water efficiency, flood protection, climate-resilient equipment and process adaptations, and the integration of physical climate risk assessments at the supply chain and market levels into corporate strategies. Within this framework, AdapTool will offer measures and action recommendations to strengthen the overall climate resilience of companies.

Under the inclusive features of the loan, at least 15% of the total financing is expected to be allocated to women-inclusive beneficiary enterprises, which may face greater challenges in adapting to climate change. This agreement constitutes the first phase of a broader project with the IBRD totaling EUR 600 million.

KfW Loan

On December 12, 2025, TSKB signed a EUR 250 million financing agreement with KfW Development Bank. With the funding provided under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance, investments across Türkiye under the theme of climate finance—including renewable energy, energy efficiency, energy storage, climate change adaptation, climate industries, circular economy, environmental products, and other climate-related investments—will be financed. In addition, priority will be given to investments that strengthen Türkiye's collaboration with the European Union, particularly Germany. With this resource, TSKB is expanding its contribution to low-carbon and climate-resilient development goals. This agreement represents one of the significant steps in the long-standing collaboration between TSKB and KfW in the field of climate finance.

Strong relationships with international financial institutions

In 2025, in line with its objectives to diversify funding sources and to develop innovative products, TSKB maintained its close contacts and cooperation with domestic and international financial institutions. In the same context, the Bank also maintained intensive and effective communication with credit rating agencies. During the reporting period, special importance was given to relationships and communication with international banks to support clients' foreign trade and correspondent banking needs.

Marking its 11th year in international capital markets with its 11th issuance, TSKB successfully completed a USD 350 million, 5-year issuance in June through an intraday transaction. The issuance was met with strong demand, exceeding twice the issue size, from a diversified pool of qualified investors, primarily from the United Kingdom, Europe, Asia and the Middle East.

LONG-TERM FUNDING SECURED BY TSKB BETWEEN 2021–2025			
	Loan	Amount	Maturity (Years)
2021	IBRD – Geothermal Development Project Additional Financing Loan	USD 150 million	28
	JBIC GREEN 2	USD 220 million	12
	IFC Women's Employment	USD 100 million	3
2022	EBRD GEFF	EUR 53.5 million	3
	AIIB – Sustainable Energy and Infrastructure Loan	USD 200 million	15
	AFD – Circular Economy Loan	EUR 80 million	12
	KfW – Climate Finance Loan	EUR 100 million	15
	OeEB – Renewable Energy and Energy Efficiency Loan	EUR 25 million	12
2023	IBRD Türkiye Green Fund	USD 155 million	28
	JBIC Earthquake Loan	USD 200 million	12
	IsDB Earthquake Loan	USD 100 million	10
2024	IBRD – Distributed SPP (Direct & APEX)	EUR 300 million	29
	IBRD – Battery Storage Systems	USD 15 million	30
	AFD & CDP – Earthquake and Climate	EUR 100 million	12
	ITFC – Earthquake	USD 50 million	2
	EBRD – GEFF II	EUR 100 million	5
	IFC Women's Employment	USD 100 million	3
	KfW – Climate Finance and Economic Cooperation Loan	EUR 250 million	12
2025	IBRD – Adaptation Financing Project (Partially Guaranteed Loan)	EUR 300 million	10
	EBRD – Inclusive Loan	EUR 75 million	5
	OeEB – 2025	EUR 25 million	8
	AIIB – Sustainable Energy and Infrastructure Loan, Phase 3	USD 200 million	15
	OPEC Fund Loan	EUR 50 million	16

TSKB- APEX LOANS KEY INDICATORS				
Program Name	Year	Agreement Amount	Number of Companies Using the Loans	Current Status of the Program
SME (Women's Employment and Prioritized Regions)				
Second Disbursement of the Access to Inclusive Finance Project Loan (IncA2F)	2024	USD 65 million	20	In Progress
Access to Inclusive Finance Project Loan (IncA2F)	2018	USD 200 million	453	Completed
SMEs and Export Support				
Access to Innovative Finance Project Loan (IA2F)	2014	USD 250 million	231	Completed
Export Support				
EFIL IV Additional Loan	2011	USD 300 million	137	Completed
EFIL IV	2008	USD 300 million	133	Completed
EFIL III	2005	USD 305 million	168	Completed
EFIL II	2004	USD 303 million	211	Completed
SMEs				
TSKB SOURCE*	2017	EUR 150 million	340	In Progress
AKKB V APEX	2016	EUR 100 million	960	Completed
AKKB IV APEX	2013	EUR 100 million	416	Completed
AKKB III APEX	2010	EUR 100 million**	223	Completed
KfW APEX	2004	EUR 7.7 million	54	Completed
EIB APEX	2005	EUR 150 million	343	Completed

* Re-utilization of repaid loans

** EUR 90.9 million of the agreement amount was utilized as APEX.

This transaction added 10 new investors to the Bank's investor base. The issue price improved by 50 basis points from opening to closing, settling at 7.5% with a zero new issue premium.

In the private placement market, where the Bank has been active since the last quarter of 2023, it executed two transactions totaling USD 30 million in 2025. As of year-end 2025, Eurobond issuances accounted for 22% of TSKB's total liabilities excluding equity, with a total amount of USD 380 million.

In July, the Bank diversified the maturity structure of its syndicated loan by adding new 734-day tranches in addition to the 367-day tranches. It successfully renewed its syndicated loan, totaling USD 238 million with the participation of 16 international banks, at a rollover ratio of 120%.

First Investment in the Türkiye Green Fund

The Türkiye Green Fund (TGF), launched in 2024 with financing provided by the World Bank under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance, is the first venture capital fund in Türkiye and the world established with credit financing focused on emissions reduction and inclusive transformation. It aims to contribute to Türkiye's 2053 Net Zero target with a roadmap centered on managing climate risks. The fund's first investment was made in Ateş Çelik, one of the leading Türkiye-based manufacturers of renewable energy equipment. This investment is planned to support the company's new investments, increase its export capacity, and strengthen its share in international markets. In line with climate change mitigation targets, TGF aims to provide companies with capital to increase their capacity, accelerate their investment processes, and contribute to reducing global emissions. The fund, which prioritizes investments in innovative green or green transition-focused companies, also aims to support inclusive investments by identifying

11 YEARS IN INTERNATIONAL BOND MARKETS

October 2014	First bond issuance in International Capital Markets
May 2016	First Sustainable Finance Framework
May 2016	First Sustainable/Green Bond issuance in the CEEMEA region and Türkiye
March 2017	World's first Basel-III compliant Sustainable Tier-2 Bond issuance
May 2017	Türkiye's first Allocation and Impact Reporting
December 2020	Updated Sustainable Finance Framework with an expanded scope
January 2021	Third Sustainable Bond issuance
September 2023	Fourth Sustainable Bond issuance
March 2024	First Additional Tier-I issuance
October 2024	10 th Eurobond issuance in our 10 th year in international capital markets
July 2024	Updated Sustainable Finance Framework with the integration of Transition Finance
June 2025	Eleventh Eurobond issuance

women-inclusive companies with strong investment potential. It is anticipated that the mobilization of private sector capital will continue through new investments under the fund in the upcoming period.

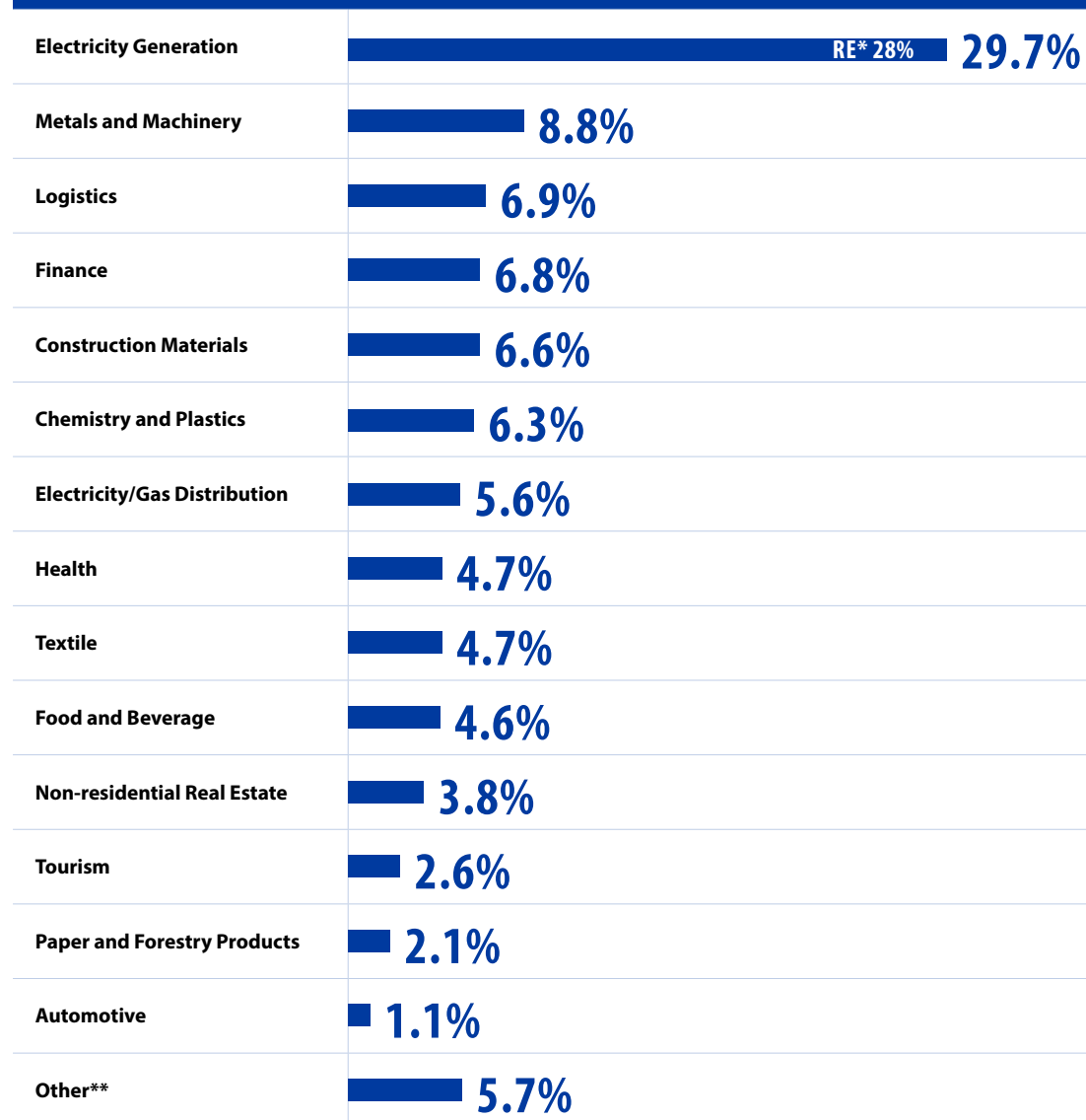
IMPACT CREATED THROUGH THEMES

SDG Mapping Model

TSKB's SDG Mapping Model aims to measure the environmental and social impact generated by its loan portfolio by analyzing how the financing provided to clients relates to the 17 SDGs.

Under the model, which was developed specifically for TSKB, SDG alignment and impact levels are monitored throughout the analysis and implementation phases of projects; the results are reported regularly to provide input for management processes. The model's outputs serve as a fundamental reference for monitoring the Bank's sustainable finance strategy and strengthening the alignment of its loan portfolio with the SDGs.

SECTORAL BREAKDOWN OF TSKB'S LOAN PORTFOLIO IN 2025



*Renewable Energy Loans

**Mining, Packaging, Electromechanical, Retail, and others

TSKB identifies its SDG-linked loans at the loan allocation process using the SDG Mapping Model. As part of ex-post evaluation studies, the alignment of loans with the SDGs is analyzed, and new links identified during monitoring activities are established. The initial assessment, portfolio review, and data quality checks conducted in this context ensure that the outputs of the SDG Mapping Model are reported accurately and on a data-driven basis throughout the loan's maturity.

The analyses provide an opportunity for transparent impact reporting to investors and stakeholders, while further strengthening TSKB's impact-based lending approach.

Through analyses conducted under the model, performance related to TSKB's targets of USD 15 billion in SDG-linked financing and USD 5 billion in climate financing, as well as its ratio targets for 90% of the loan portfolio to be SDG-linked and 60% to be climate and environment-linked, is monitored on both an amount and ratio basis.

As of year-end 2025, TSKB's loan portfolio was found to generate impact linked to 15 of the 17 SDGs, most notably SDG 8 (Decent Work and Economic Growth), SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), SDG 9 (Industry, Innovation and Infrastructure), and SDG 1 (No Poverty).

In 2026, efforts to enhance the scope and methodology of the SDG Mapping Model will continue, with the goal of measuring and reporting the impact created through the loan portfolio in a more holistic, comparable, and transparent manner. In this context, the model's outputs will continue to be used as an important tool supporting impact-based decision-making processes for both the Bank's management and its stakeholders.

Renewable Energy

During the reporting period, electricity generation was the sector with the largest share in TSKB's loan portfolio, at 29.7%. Of the electricity generation portfolio, 94% consisted of renewable energy projects. The share of renewable energy projects in the Bank's total loan portfolio was 28%.

Financed Renewable Energy Installed Capacity: 10,204 MW

Since 2002, TSKB has been channeling its medium and long-term resources to various renewable energy power plant projects in Türkiye, primarily hydroelectric, solar, wind, biomass/biogas, and geothermal power plants. In addition, a significant amount of financing has been provided in recent years for prosumer investments in rooftop and land-based solar power plants by clients operating in the manufacturing industry.

The total installed capacity of the 495 renewable energy projects financed by the Bank is 10,204 MW, representing approximately 14% of Türkiye's total installed renewable energy capacity as of year-end 2025. ☺ The emissions reduction contribution of the renewable energy projects financed to date has reached approximately 15 million tons of CO₂e. ☺

As part of its Climate Change Mitigation and Adaptation Policy, published in 2021, the Bank committed not to finance new coal-fired power plants and coal-mining investments for electricity generation. In January 2024, TSKB updated the scope of its relevant policy, announcing that it will also not finance additional capacity expansion investments in coal-fired thermal power plants and coal mining for electricity generation.

RENEWABLE ENERGY, ENERGY EFFICIENCY, AND RESOURCE EFFICIENCY*

176 ☺

Energy and Resource Efficiency Projects

106 HPPs ☺

4,388 MW

Total Installed Capacity ☺

3.3 MILLION HOUSEHOLDS

104 WPPs ☺

3,238 MW

Total Installed Capacity ☺

3 MILLION HOUSEHOLDS

18 GPPs ☺

655 MW

Total Installed Capacity ☺

1.4 MILLION HOUSEHOLDS

240 SPPs ☺

2,011 MW

Total Installed Capacity ☺

0.9 MILLION HOUSEHOLDS

64 Land/Rooftop SPPs ☺

782 MW

Total Installed Capacity ☺

28 Biomass/Waste ☺

252 MW

Total Installed Capacity ☺

0.4 MILLION HOUSEHOLDS

*Projects we have financed to date

In 2025, TSKB continued to provide financing for significant projects in the rooftop and land-based solar power plant segments.



In the period ahead, TSKB will continue to support renewable energy projects that contribute to the use of domestic energy resources in the economy.

In line with its net-zero emission targets submitted to the SBTi and NZBA, TSKB has committed to phasing out coal financing by the end of 2035.

The commissioning rate for renewable energy projects financed by TSKB is 96% on a project count basis.

As of year-end 2025, 96% of the renewable energy projects financed by TSKB on a project count basis and 93% on an installed capacity basis have commenced operations. Thus, the total installed capacity of the commissioned projects reached 9,467 MW. Between 2003 and 2025, the total investment amount for renewable energy projects financed by TSKB was USD 14 billion, while the loan amount committed by the Bank for these projects was approximately USD 7 billion.

Rooftop and Land-Based SPP Investments for Self-Consumption

Due to rising energy prices and CBAM exposure, investments in rooftop and land-based SPPs for self-consumption have recently become more prominent among companies in the manufacturing sector.



In 2025, TSKB continued to finance significant projects in the rooftop and land-based SPP segment. In this context, financing was provided for 26 rooftop SPPs with a total installed capacity of 154 MW and 38 land-based SPPs with a total installed capacity of 629 MW.

TSKB will continue to support renewable energy projects that contribute to the utilization of domestic energy resources in the upcoming period. The agreement signed with the IBRD in 2024 aims to support distributed solar investments and battery energy storage systems to meet the private sector's self-consumption needs. This financing also aims to strengthen companies' capacity to promote gender equality.

Supporting Transformation through Energy and Resource Efficiency

To date, the Bank has provided approximately USD 1.4 billion in financing for 176 energy and resource efficiency-focused projects, with these investments constituting 8% of the loan portfolio as of year-end 2025. In this context, support is provided for the transformation processes of companies operating in sectors such as iron and steel, cement, textiles, aluminum, automotive sub-industry, and chemicals in the areas of energy and resource efficiency, production process improvement, and waste management.

While energy efficiency investments aim to reduce energy consumption and carbon emissions in energy-intensive sectors, a strong knowledge base has been established in this area through projects financed since 2008. Prominent applications include waste heat recovery for energy generation, energy-efficient technologies, facility modernization, green buildings, energy optimization, lighting, and digital transformation.

In the field of resource efficiency, financing provided since 2013 has supported investments in areas such as water efficiency, waste management, raw material and energy optimization, circular economy, and sustainable technologies, aiming for more efficient use of natural resources and increased value-added.

Green Asset Ratio

The “Communiqué on the Calculation of the Green Asset Ratio of Banks,” published in the Official Gazette No. 32867 on April 11, 2025, established the procedures and principles for the calculation and reporting of key performance indicators to measure banks’ contribution to environmental sustainability. Under the Communiqué, the green asset ratio (GAR) is defined as the primary indicator, and banks are obliged to regularly report this ratio on their balance sheets. In accordance with the Communiqué, TSKB reviews its portfolio, prepares periodic reports, and calculates its green asset ratio. Under its reporting obligations, it monitors compliance with technical criteria; using existing climate, environmental, and social risk assessment models, it verifies that its clients meet the Do No Significant Harm (DNSH) criteria with respect to environmental impact, and it ensures that minimum social security standards are in place.

1.4[✓]
USD BILLION

Financing provided for energy and resource efficiency projects

In line with its pioneering role in the sector, TSKB continued to lead the GAR technical working group within the Banks Association of Türkiye in 2025. In four separate workshops organized under the working group, discussions were held on how banks could apply the communiqué’s criteria, and consultations were conducted with the BRSA on the process. The workshops contributed to strengthening banks’ implementation capacities and to putting the technical criteria into practice.

Inclusivity

In line with its inclusive development approach, TSKB continued to support women’s employment and businesses operating in developing regions in 2025, as part of the re-lending activities of the USD 400 million facility secured from the World Bank in 2018. The Bank encourages companies to conduct self-assessments in the area of equal opportunity and supports them in creating concrete action plans to improve their existing practices. In this context, priority is given to practices such as ensuring equal opportunity starting from recruitment processes; reviewing human resources, ethics and disciplinary policies; establishing or improving breastfeeding rooms in workplaces; reducing the gender pay gap; and expanding gender equality training.

In this framework, through a EUR 75 million loan agreement with the EBRD signed in 2025 focused on youth and women’s employment, the Bank aimed to increase the participation of women and young people in the labor force through investments that support gender equality and youth employment, including in earthquake-affected regions.

In line with its strategy and policies, TSKB aims to maintain its focus on inclusivity and continue practices that enhance social benefit and raise awareness through its financing and advisory activities in the upcoming period.

Adaptation

TSKB continues to develop financing models aimed at increasing the resilience of Türkiye’s real sector to climate change and supporting sustainable development.

In this regard, the Bank is preparing to launch financing facilities to support private sector investments in gaining resilience against physical climate risks, under the Financing for Adaptation for Growth Project carried out in collaboration with the International Bank for Reconstruction and Development (IBRD), a member of the World Bank Group. While the resources to be provided under the project are intended to be directed toward investments that strengthen companies’ climate adaptation capacity and enhance their long-term competitiveness, AdapTool, a risk and adaptation analysis tool developed by TSKB, will be used to evaluate these investments. In this context, the plan is to encourage measures and investments such as infrastructure resilience, energy efficiency, water efficiency, flood protection, climate-resilient equipment and process adaptations, supply chain analyses, and market research. With this financing, which is expected to be provided in the coming period, the Bank aims to create resilience-driven value in the economy by supporting the wider adoption of investments in climate change adaptation, in addition to the green transition. This agreement constitutes the first phase of a broader project with the IBRD totaling EUR 600 million.

CIRCULAR ECONOMY

TSKB took a significant step by adding the circular economy to its funding themes with the EUR 80 million funding agreement signed with the French Development Agency (AFD) in December 2022. With this facility from AFD, the Bank provides financing to companies operating in Türkiye for their investments serving the circular economy and to companies aiming to develop circular economy practices. The circular economy theme, which is also a first for AFD, presents a significant opportunity for TSKB to strengthen its technical capacity, as well as that of its clients. In parallel with this loan, TSKB has started working on its Circular Economy Action Plan.

Under the Action Plan, TSKB aims—through its Circular Economy Roadmap and with the support of technical consultancy—to develop methodologies by drawing on the best practices of international development finance institutions, organize training and capacity-building activities for employees and clients, and enhance stakeholder engagement.

TSKB's Circular Economy Roadmap consists of four main focus areas.



TSKB's Circular Economy Roadmap consists of four main focus areas.

Focus 1 – Circular Economy Strategy and Governance

Developing indicators to assess TSKB's progress and performance in the circular economy

Focus 2 – Internal Capacity Building in the Circular Economy

Developing and strengthening TSKB's expertise in the circular economy, including the integration of gender considerations

Developing operational guidelines for identifying circular economy investments and conducting analyses to determine priority sectors and investment areas

Focus 3 – Integration of the Circular Economy into Financial Capital

Designing a special loan program for financing circular economy projects

Developing a methodology to assess the impacts of circular economy investments

Focus 4 – Stakeholder Engagement in the Circular Economy

Sharing knowledge and experience in working groups, conferences, and stakeholder meetings to raise awareness and contribute to the capacity development of clients, IDFC members, and other industry representatives

**SME FINANCING**

Since its establishment, TSKB has operated with the mission of contributing to Türkiye's sustainable development and supporting the real sector. In this context, it works in close cooperation with national and international development finance institutions, multilateral banks, and private funds to offer long-term and sustainable financing opportunities to SMEs.

As of year-end 2025, TSKB collaborated with 31 intermediary institutions within the scope of its wholesale banking activities, generating efficient performance and shared value. Through APEX loans, the Bank has disbursed a total of USD 89 million to 104 SMEs over the last three years. The financing provided helped SMEs increase and maintain their employment levels.

In 2026, the Bank will continue its re-lending activities under the IBRD InA2F in cooperation with financial institutions within the context of the APEX financing model, and will continue to play an increasing role in providing SMEs with access to themed and long-term funds through APEX loans. At the same time, the IBRD's "Accelerating the Market Transition for Distributed Energy in Türkiye" Project will enter its APEX phase, and activities related to the financing of eligible solar energy projects through PFIs will be initiated.

The program launched in 2016 in cooperation with the EBRD, aimed at facilitating and improving SMEs' access to finance, was expanded in 2019 with a risk-sharing agreement totaling EUR 100 million. In 2025, cooperation with the EBRD continued as part of a joint loan financing arrangement. In 2026, TSKB aims to increase and diversify its collaboration projects and to strengthen the support it provides to SMEs.

As part of the re-lending activities of the loan signed with IBRD InC2F in 2018, the Bank also continues to support women's participation in the labor force and SMEs in developing regions through direct financing and APEX facilities.

In 2026, the Bank will continue its re-lending activities under the IBRD InC2F in cooperation with financial institutions within the context of the APEX financing model, and will continue to play an increasing role in providing SMEs with access to themed and long-term funds through APEX loans.

Loan allocation, portfolio management and monitoring activities

At TSKB, the selection of companies and projects to be financed, as well as the allocation and monitoring functions, are carried out with a comprehensive and prudent approach, contributing to the sustainability of a high-quality loan portfolio. At the Bank, projects undergo a robust evaluation process based on impartial, comprehensive, and in-depth assessments conducted by financial analysts, industry experts, and engineers.

The majority of loans provided by the Bank to companies for their investments and working capital financing are denominated in foreign currency. In this context, it is important for companies to generate foreign currency-denominated income and funds.

A large portion of TSKB's loan portfolio consists of energy project loans, which will maintain their strategic importance in the future. In these projects, the existence of guaranteed prices in foreign currency and additional incentives for domestic components create a natural hedge, elevating the projects' efficiency and solvency to high levels. For the evaluation of projects outside this scope, the electricity price modeling designed by the Bank is utilized.

In addition, the fact that the majority of non-energy sector companies in the portfolio are exporters or have the ability to generate foreign currency revenues contributes to TSKB's loan portfolio being composed of companies capable of managing foreign exchange risk.

At TSKB, monitoring functions are carried out under two main categories: portfolio-level monitoring activities conducted on a holistic basis, and individual monitoring activities performed on a borrower basis.

In 2023, the Loan Portfolio Management and Analysis Department was established to effectively manage the risks to which the Bank is and may be exposed in its lending activities, to monitor the portfolio holistically, and to take the necessary measures. In the same year, the Loan Portfolio Management Committee was established to regularly evaluate the Bank's loan portfolio as a whole in terms of credit risk and to review the loan quality of the portfolio, in particular, changes in stages and provisioning ratios. Results and anomalies identified through sector and portfolio-based analysis are evaluated by this committee.

TSKB conducts private sector reporting, currency risk measurement, debt service coverage and related collateral monitoring, and rating scenarios to provide input and insight into all credit activities.

The management of environmental, social, and climate risks and opportunities integrated into lending processes is monitored through the Bank's ERET, CRET, and SDG Mapping Model and reported to senior management through the Credit Committee. Project-based evaluations are carried out by the Engineering Department as part of the credit processes, in parallel with technical analyses. Portfolio-based studies are conducted by the Climate Change and Sustainability Management Department to ensure that loan projects comply with the Bank's policies, commitments, and targets.

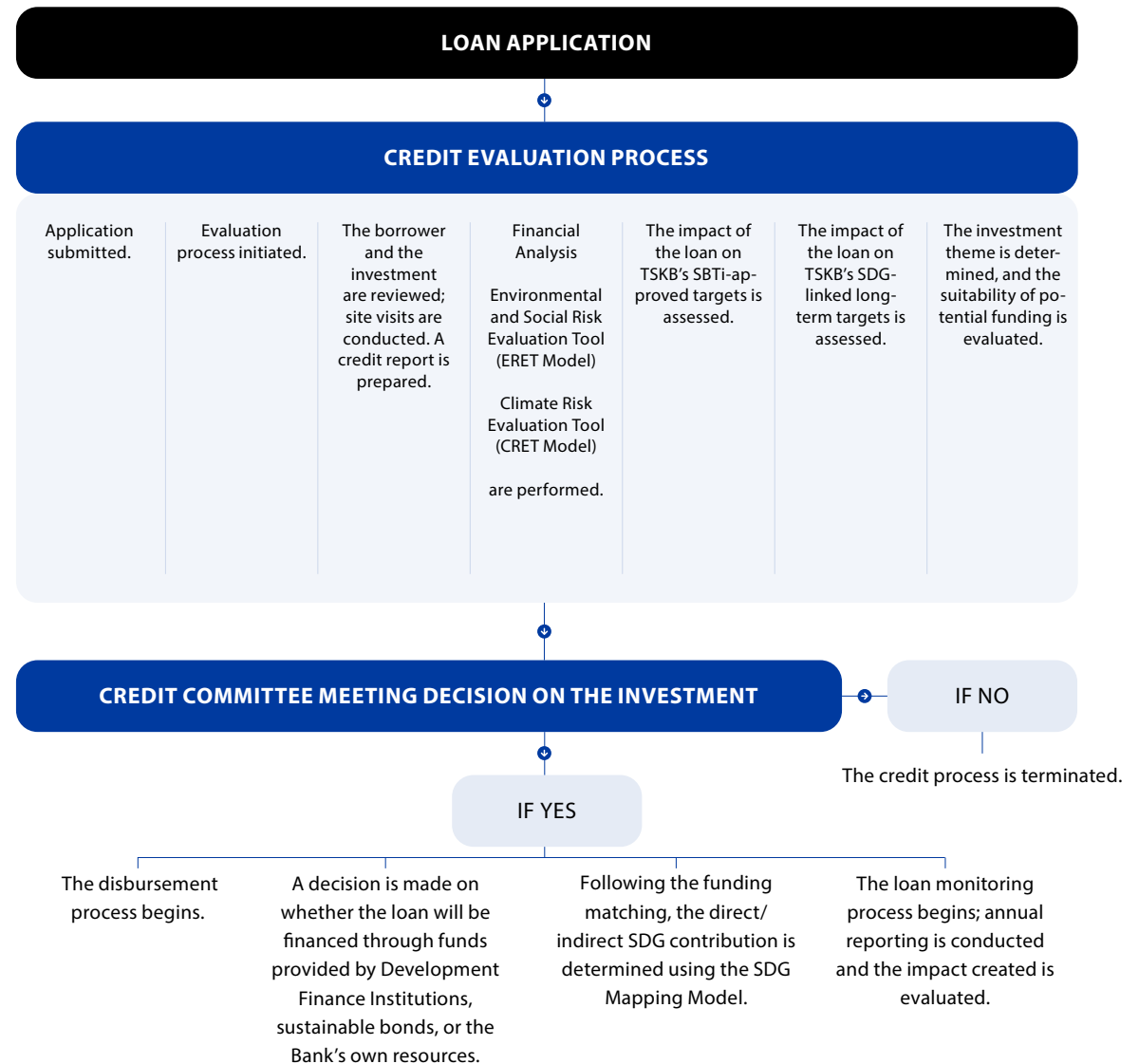
Through the effective management of the loan portfolio, the Bank's ratio of Stage 2 loans stood at 7.2% at year-end, while the ratio of Stage 3 loans remained at 2.4%. TSKB, which is among the banks with the highest coverage ratios in the sector, continued to maintain prudent levels for Stage 2 and Stage 3 loan coverage ratios. As of year-end, the coverage ratios for Stage 2 and Stage 3 loans were 31.6% and 74.1%, respectively. More than 95% of Stage 3 loans consist of loans to companies that are still operational. As of year-end 2025, TSKB's total free provisions amounted to TL 1.1 billion.

At year-end, on a cash risk basis, the restructuring rate was 100% for Stage 2 loans and approximately 33% for Stage 3 loans.

As of year-end 2025, the Stage 3 loan ratio stood at 2.4%. In line with the current outlook for asset quality, the Stage 3 loan ratio is projected to remain below 2.5%, while the net cost of risk is expected to stay below 50 basis points in 2026.

The management of environmental, social, and climate risks and opportunities integrated into lending processes is monitored through the Bank's ERET, CRET, and SDG Mapping Model and reported to senior management through the Credit Committee.

INTEGRATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS INTO LOAN ANALYSIS



INVESTMENT BANKING AND ADVISORY SERVICES

Proactive Treasury Management

Market fluctuations arising from uncertainty over tariffs to be applied globally and ongoing disinflationary policies domestically were effectively managed within the scope of risk policies. TSKB continued to support corporate clients in managing their financial risks through the treasury products and hedging solutions it offers. Thanks to its strong liquidity structure, differentiated from commercial banks, as well as its proactive asset-liability management and market risk-sensitive approach, the negative effects of market volatility on the Bank's balance sheet were prevented. A significant contribution to profitability was achieved through opportunity-driven and prudent strategies in the securities and money markets. In 2026, the Bank aims to maintain its risk management discipline amid changing market conditions, continue offering value-added financial solutions to its clients, and sustain proactive balance sheet management that supports sustainable profitability.

Investment Banking

In line with the SDGs, the Bank continues to diversify its activities through capital investments that support environmental transformation. In this context, the Türkiye Green Fund (TGF), launched in 2024 with a focus on sustainability, constitutes an important part of the Bank's long-term strategy.

The investment theme of the Türkiye Green Fund is to support companies' green transition processes, particularly by investing in companies that manufacture products and provide services in the fields of green transition and air-conditioning technologies. In this context, the capital increase investments are intended to help these companies accelerate their own investments, increase their capacity, and thus contribute to the reduction of global carbon emissions. The Fund also aims to accelerate the inclusive and green transition in industry in line with Türkiye's 2053 Net Zero target.

The first investment under the Türkiye Green Fund was made in Ateş Çelik in July 2025. The investment in Ateş Çelik, whose main business is the manufacturing and assembly of turbine towers, generators, and their components (bolts, nuts, fasteners) for wind power plants, aims to enhance its contribution to Türkiye's sustainable development goals by developing domestic technology in wind energy.

This investment, which aims to expand Türkiye's renewable energy capacity, was realized through the TSKB Türkiye Green Investment Fund, as well as the Clean Energy Venture Capital Investment Fund and the Atlas Growth Capital Venture Capital Investment Fund, managed by İş Enerji and Maxis Girişim Sermayesi. Under the agreement, an investment of EUR 45 million was made through İş Enerji and Maxis Girişim Sermayesi Yatırım Fonu, affiliates of İş Bankası in the energy and financial sectors. Of this amount, EUR 20 million was provided through the Türkiye Green Fund.

The investments of the Türkiye Green Fund will continue rapidly in 2026 and beyond.

The TSKB Venture Capital Investment Fund, established in 2023 in cooperation with Maxis Girişim Sermayesi, aims to create medium- and long-term value by investing in high-growth potential companies operating in sectors such as energy, technology, food, manufacturing, agriculture, and services. The Fund invests by acquiring minority or majority stakes in the range of USD 1–5 million per company, aiming to support regular cash flow, increased profitability, and sustainable growth. Exit strategies include sales to strategic or financial investors, transfers to existing partners, and initial public offerings.

Under this strategy, the Fund made its first investment of USD 3.4 million in 2024 in Poweren Elektrik, a company operating in the renewable energy sector. The company currently has 20 MW of unlicensed SPP installed capacity, a 160 MW pre-licensed project portfolio with storage (50 MW WPP – Kırklareli, 110 MW SPP), and a 10 MW SPP (Konya) investment planned for commissioning in 2026. The minority investment aims to increase Türkiye's renewable energy capacity and contribute to the security of energy supply.

In 2025, Mergers and Acquisitions (M&A) activity saw an increase in the participation of international investors, particularly in high-value transactions. Tightening financing conditions and high cost of capital have driven down valuations, creating attractive acquisition opportunities for financially strong and strategic buyers. This dynamic was particularly observed in large-scale transactions in the retail and energy sectors. In 2026, an increase in M&A activity is expected, driven by stronger foreign investor interest, a continued focus on technology, and a more active role for domestic strategic investors, provided that macroeconomic stability continues.



Initial Public Offering Market

In 2025, Borsa İstanbul exhibited two distinct trends. The strong momentum in the early months of the year, supported by positive expectations, gave way to a marked slowdown after March due to political developments, tight monetary policy, and a high interest rate environment.

During this period, trading volumes weakened due to declining risk appetite and increased profit-taking, and the index generally exhibited a sideways and downward trend.

One of the most notable developments for TSKB's capital markets activities in 2025 was the successful completion of the DOF Robotik IPO—the first IPO of the year—led by TSKB and Yatırım Finansman following a nearly six-month period of market stagnation.

In 2026, a significant revival in IPO activities is anticipated as the normalization process in the capital markets accelerates and investor appetite strengthens. In this context, in line with our development-oriented investment banking vision, three new IPOs led by TSKB and two strategic issuances on the debt instruments side that will increase diversity—one sukuk and one bond—are expected to be completed successfully in 2026.

In addition, a period of increased diversity in debt instruments is anticipated. TSKB continues to play an active role in the structuring and issuance processes of debt instruments, particularly green bonds and sustainability-themed sukuk. This approach deepens the Bank's investment banking activities and enables it to offer a variety of financing instruments.

Advisory Services

The Bank effectively leverages its knowledge and experience in economic, financial, and engineering fields through its advisory services. With the aim of converting this expertise into economic value and diversifying its revenue streams, TSKB delivers services under a single structure through three departments: Advisory Services Sales, Economic Research, and Financial and Technical Advisory. Through its advisory services, within the scope of its strategic objectives, the Bank aims to be a long-term business and solution partner for its clients and to create an impact on sustainable development beyond its lending activities.

Details on advisory services, one of our main business lines, can be found in the [Intellectual and Manufactured Capital](#) section.

TSKB SUBSIDIARIES

YATIRIM FINANSMAN

Founded on October 15, 1976, under the leadership of TSKB and İş Bankası with the participation of 13 major banks, Yatırım Finansman Menkul Değerler A.Ş. (Yatırım Finansman) is Türkiye's first stock brokerage firm. TSKB holds a 95.78% equity stake in Yatırım Finansman.

The first stock brokerage house in Türkiye leading the sector

In 2025, Yatırım Finansman achieved its goals of providing a satisfactory return to its investors, clients, and stakeholders in line with the principle of responsible profitability.

Yatırım Finansman, which provides services through 13 service points across Türkiye, is one of the most preferred and leading brokerage houses in the sector, with equity of over TL 1,715 million and client assets exceeding TL 124 billion as of 2025.



Hybrid growth model with digitalization

Within the framework of its Customer-Centric Digital Transformation Project launched in 2022, Yatırım Finansman aimed to generate value-added gains such as improving customer satisfaction and loyalty, enhancing sales force effectiveness, and increasing resource efficiency, while also ensuring that customers receive the right service through the right channel. In this context, the company's existing customers were grouped into two main segments to be served digitally and through branches, and a hybrid growth model with digitalization was implemented.

As part of its continuous efforts to enhance the digital effectiveness of this model, Yatırım Finansman continued throughout 2025 to develop its new mobile application, YaFi, which is designed to offer clients a customizable investment experience and enable all transactions to be carried out on a single platform.

During the reporting period, it completed the revamp of its corporate website, featuring a modern and user-friendly design and an infrastructure developed in line with digital marketing dynamics. Call Center Services were developed to manage the institution's customer communication processes within a professional call management framework and to maintain a high level of satisfaction among digital customers under the new service model.

Within the framework of synergistic collaborations with its main shareholder, İş Bankası, work was completed to implement digital innovations such as becoming a Yatırım Finansman customer using İş Bankası credentials and enabling easy money transfers to Yatırım Finansman via İşCep and the İş Bankası Internet Branch.

It enhanced the infrastructure of its video call account opening system, one of the key tools for acquiring new customers through digital channels, thereby improving the account opening processes via this channel and completing a significant system integration that increased the number of successful account openings.

Pioneering applications in investments

Under its broad-authorized intermediary institution status, Yatırım Finansman offers domestic and international individual and institutional investors reliable and fast access to capital markets through its branch network, online channels, and mobile applications.

Investors benefit from YFTRADE, YFTRADEMOBILE, and YFTRADEINT trading platforms developed by Yatırım Finansman, as well as the YF FACE-TO-FACE application for opening online accounts, by conducting secure, intermediary-free transactions in both domestic and foreign markets. These transactions can be performed using portable or desktop computers, as well as next-generation smart devices, allowing flexibility regardless of time and location.

In 2025, Yatırım Finansman, which collaborates with TSKB on various investment banking projects, continued to offer customers a range of financial products and instruments suitable for them as part of its asset management services, primarily in the equity and futures markets, and to help customers generate returns on their investments, following its strategy of broadening its customer base.

Collaborations raising awareness for financial literacy

To increase investors' financial literacy levels and provide them with the necessary tools to make sound investment decisions, Yatırım Finansman held in-person investor meetings in Istanbul, Izmir, Antalya, Gaziantep, and Adana, attended by 760 people.

In 2025, a total of five-hour online seminars were held with Prof. Dr. Hakkı Öztürk as part of the "Investor's Guide to Finance" training series.

TSKB REAL ESTATE INVESTMENT TRUST

Established in 2006, TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB REIT), in which TSKB holds an 88.61% stake, is a real estate investment company dedicated to creating and developing a strong real estate portfolio.

As a capital markets institution, TSKB REIT invests in real estate, real estate projects, rights related to real estate, and capital market instruments; establishes ordinary partnerships to carry out specific projects; and engages in other activities permitted by the relevant regulations of the Capital Markets Board of Türkiye (CMB).

In line with its core values of consistency, transparency, quality, social responsibility, customer focus, and teamwork, TSKB REIT focuses its investment strategy on growth through project development, sustainability, and risk management.

Authorized by the CMB and BRSA, TSKB Real Estate Appraisal demonstrated strong sector expertise in 2025 through its triple-licensed structure, internationally certified expert staff, and appraisal activities carried out both in Türkiye and abroad.

A set of consistent, transparent, high-quality, and customer-oriented values

With core values of consistency, transparency, quality, social responsibility, customer focus, and teamwork, TSKB REIT's investment strategy focuses on growth through project development, sustainability, and risk management.

Established with an initial capital of TL 10 million, the Company's capital was increased to TL 650 million in 2021. As of December 31, 2025, TSKB REIT's total assets reached approximately TL 7.0 billion, and its leasable area under management reached approximately 65,000 m².

As of year-end 2025, TSKB REIT's real estate portfolio included the Pendorya Shopping Center in Pendik, Istanbul, which opened on December 17, 2009, with approximately 80,648 m² of indoor space and 30,573 m² of leasable area; two office buildings in Fındıklı, Istanbul, with 17,827 m² of indoor space; Tahir Han in Karaköy, Istanbul; and a 50% stake in the Divan Adana Hotel and its independent units, which opened in downtown Adana in September 2015.

Efforts to increase rental income and diversify the portfolio

TSKB REIT's investment strategies include increasing existing rental income and diversifying its portfolio. Accordingly, in 2025 the Company continued its efforts to increase the occupancy rate and rental income of Pendorya Shopping Center and likewise aimed to improve the profitability of the Divan Adana Hotel by leveraging its competitive advantage in the region.

TSKB REAL ESTATE APPRAISAL

TSKB Gayrimenkul Değerleme A.Ş. (TSKB Real Estate Appraisal) was established in November 2002. In February 2003, the Company was included in the list of "Real Estate Appraisal Institutions" by the Capital Markets Board and became one of the first institutions to hold a CMB license.

TSKB Real Estate Appraisal is one of the first companies in Türkiye to receive the internationally recognized Royal Institute of Chartered Surveyors (RICS) certificate. It is also authorized by the BRSA to provide appraisal services for real estate, real estate projects, and rights and benefits attached to real estate.

With its visionary consulting services, the Company guides both domestic and foreign investors on how to take the right and sound steps in real estate investments.

With an extensive service network of branches across all geographical regions of Türkiye, TSKB Gayrimenkul Değerleme aims, through its increasingly strong team of experienced experts, to deliver strategic, innovation-oriented, and sustainable solutions in response to the structural transformation of the real estate sector and changing user preferences.

Focusing on enhancing its knowledge base and competencies, collaborating with leading international organizations, and keeping abreast of innovations in its field, the Company has completed appraisal assignments in 28 different countries to date.

Detailed information is available in the [Intellectual and Manufactured Capital](#) section.

Escarus

Launched in April 2011, Escarus (TSKB Sürdürülebilirlik Danışmanlığı A.Ş.), with its experienced and expert team, aims to integrate globally accepted international environmental and sustainable approaches into the Turkish business community and to strengthen sustainable development, one of the Bank's core missions through consultancy services.

Escarus' operations are divided into three primary areas: "Strategic Sustainability," "Operational Sustainability," and "Research, Reporting, and Training." Escarus specializes in designing and implementing high-value consultancy solutions across a wide range of areas, including sustainability management systems and strategies, sustainable finance, resource and energy efficiency, climate risk management, carbon-water management, and various non-financial reporting such as sustainability reports and gender equality, particularly in critical sectors such as energy, finance, construction, and manufacturing.

Escarus also conducts research and provides advisory services on specific topics such as the European Green Deal, the Emissions Trading System, carbon markets, and the BIST Sustainability Index. Specifically for sectors with high transformation potential, it offers services in areas such as solutions compliant with national and international legislation and regulations, clean production roadmaps, responsible supply chain practices, and rating preparation. In addition to its advisory role, it has a proven track record in various sectors with its guiding approach during the post-project implementation phase.

You can find detailed information in the [Intellectual and Manufactured Capital](#) section about Escarus, which is one of the institutions authorized by the Ministry of Trade to provide consulting services for the Responsible Program launched by the Ministry of Trade as part of the European Union Green Deal Harmonization Project, including its collaborations with relevant Ministries and development finance institutions.

TSKB Stock Performance in 2025

As one of the pioneers in the development of Türkiye's capital markets, TSKB went public in 1986, and its shares, traded under the ticker "TSKB," were listed on the BIST 50 Stars Market in 2025. The Bank, which has received corporate governance rating services annually since 2009 and consistently ranks among the institutions with the highest scores, has maintained its position in the BIST Corporate Governance Index. The Bank was also included in the BIST Sustainability Index and the BIST Sustainability 25 Index.

The Bank's stock traded with an average volume of 27 million shares in 2025. It ended the year with a market capitalization of TL 34.6 billion (USD 807 million).

During the reporting period, the Bank continued its efforts to actively inform and develop its equity and bond investor base. A total of 140 meetings and discussions were held, including four investor relations conferences with domestic and international participation, virtual roadshow meetings held prior to bond issuances, and meetings focused on portfolio management companies. Investors' verbal and written requests for information were responded to promptly.

As part of its investor relations activities, TSKB will continue its engagement with domestic and foreign investment communities, including ESG and impact investors, in 2026.

TSKB STOCK PERFORMANCE IN 2025					
	2021	2022	2023	2024	2025
TSKB Share Closing Price (TL)*	1.44	4.37	6.55	12.22	12.35
Change (%)	17.5	203.5	49.9	86.6	1.1
BIST Bank Index	1,558	5,028	8,717	14,555	16,540
Change (%)**	2.4	215.1	71.7	66.97	13.6
BIST 100 Index	1,858	5,509	7,470	9,831	11,262
Change (%)**	25.8	196.6	36.4	31.6	14.6
Relative Return to BIST Bank Index (%)	-19.5	-3.7	-13.6	11.7	-11.1

Source: Finnet

*Retrospective closing prices are adjusted for cash dividends and bonus issue capital increase after the related dates.

**Change compared to the beginning of the year

Assessment on Financial Status Profitability, Solvency, and Financial Results in 2025

In 2025, TSKB's total assets increased by 41.3% to TL 326.7 billion. Of the Bank's assets, 22.1% were denominated in Turkish lira (TL) and 77.9% in foreign currency (FX). The ratio of the Bank's interest-earning assets to total assets is 91%.

In 2025, a total of USD 1.9 billion in long- and short-term cash loans were disbursed through Corporate Banking, Project Finance, and APEX Banking activities. In line with the Bank's funding structure, 93.4% of loans are denominated in foreign currency.

The cash loan portfolio, which grew by 41.7% to reach TL 235.9 billion in 2025, recorded an 11.2% increase on an FX-adjusted basis. Gross loans constituted 72.2% of total assets.

Approximately 81% of the Bank's loans are investment loans, 12% are working capital loans, and the remainder consists of APEX and other loans. The currency breakdown of loans, including FX-indexed loans, is 40.6% in USD, 52.9% in EUR, and 6.5% in TL.

Within the total loan portfolio, the share of SDG-linked loans is 92.3%, while the share of loans contributing to climate- and environment-related SDGs is 59.2%.

235.9

TL BILLION

Cash loan portfolio as of year-end 2025

In loans disbursed in 2025, investments in the energy sector were prominent, with a 19% share. The energy sector was followed by the financial sector at 13% and the metal and machinery sector at 11%. The sectoral breakdown of the loan portfolio at year-end shows that 30% consists of loans to the electricity generation sector and 9% to the metal and machinery sector.

These were followed by the finance, logistics, textile, construction, and chemicals and plastics sectors, each accounting for between 4% and 7% of the portfolio.

The ratio of non-performing loans (NPLs) to total loans, which was 2.2% at the end of 2024, stood at 2.4% at the end of 2025. The ratio of Stage 2 loans to the total portfolio was 7.2%. At the end of 2025, the coverage ratio was 31.6% for Stage 2 loans and 74.1% for Stage 3 loans. The FX-adjusted net cost of risk was 55 basis points.

The securities portfolio, the second-largest item on the asset side with a 17% share, grew by 26.8% year-over-year to reach TL 52.6 billion. As of year-end, 56.7% of the securities portfolio was denominated in TL. Within this portion, securities measured at fair value through other comprehensive income accounted for 47.9%, while securities measured at amortized cost accounted for 52.1%.

A comparison between the beginning and end of the year shows that the share of inflation-linked securities in the TL portfolio declined from 47% to 36%. The average maturity of the TL portfolio, which is fully funded by free equity, is 2.9 years.

FX liabilities make up 84% of the liabilities side of the balance sheet, in line with the asset composition. The majority of these loans are denominated in foreign currencies and are medium to long-term funds obtained from international lenders. 48.5% of the funds on the balance sheet were borrowed with the guarantee of the Republic of Türkiye Ministry of Treasury and Finance.

Assets and liabilities are managed efficiently, taking into account that the borrowing and placement interest rates in TSKB's asset and liability balance are mainly variable, and the maturity of borrowings is longer than the placements, which distinguishes it from the banking sector, ensuring that the interest rates and liquidity levels meet the minimum regulatory ratios.

TSKB's income statement indicates that net interest income for 2025 increased by 13% to approximately TL 17.1 billion. The Bank's year-end net interest margin was recorded at 5.6%.

As a major player in capital markets and a Bank that continues to expand its range of advisory services year by year, TSKB's fee and commission income declined by 17% in 2025 due to market conditions and weaker transaction volumes.

On the other hand, total employee and other operating expenses rose by 56.9% to TL 3.4 billion. In parallel, the expense/income ratio rose from 13.8% to 17.1%.

The total expenditure for aid and social responsibility projects during the year amounted to TL 5.7 million.

TSKB's profit before provisions and taxes increased by 8.4% to TL 14.8 billion, and net profit for the period increased by 12.3% to TL 11.4 billion in 2025. A return on equity of 29.3% was achieved in 2025. The Bank's shareholders' equity increased by 40.6% year-over-year to TL 45.7 billion, representing 14% of total liabilities and equity.

The Bank's capital adequacy ratio was 25.7% as of year-end 2025. The ratios excluding BRSA temporary measures were 20.3%, 19.2%, and 14.9%, respectively.

These ratios are well above the legal limits and support TSKB's growth strategy.

Impact of sustainability-related risks and opportunities on financial capital

Through its dynamic value creation model, long-standing collaborations with development finance institutions and financial organizations, and activities aligned with national policies, TSKB continuously monitors and evaluates the areas in which it creates impact in light of its customers' needs and international best practices.

The outputs of the surveys and workshops conducted within the scope of stakeholder and materiality analyses, which provide key inputs to the Bank's strategy, shed light on future initiatives. The risks, opportunities, and impact areas analyzed with respect to priority topics directly affect TSKB's financial capital.

Sustainability-related risks and opportunities, particularly climate-related risks and opportunities, that may directly affect TSKB or indirectly through its loan and investment portfolio, shape the Bank's thematic funding negotiations with development finance institutions and international financial institutions.

As of year-end 2025, of TSKB's approximately USD 1 billion in signed but undrawn funding—all guaranteed by the Republic of Türkiye Ministry of Treasury and Finance—82% was climate- and environment-related, while the remainder was allocated to the green transformation of earthquake-affected regions.

This funding, recorded on the liabilities side of the balance sheet, directly affects the loans item on the asset side.

TSKB aims to maintain the share of climate- and environment-related loans in its total loan portfolio at approximately 60% by 2030, up from 59.2% at year-end 2025. Under its target announced in 2024 and revised upward for 2026, the Bank commits to providing USD 5 billion in climate financing by that date.

TSKB views sustainability-related risks, particularly those concerning the climate crisis, as opportunities, leveraging its comprehensive assessment and monitoring processes and the strong contribution of its human capital, which possesses advanced expertise in sustainable finance.

The Bank focuses on addressing these areas and expanding its impact not only through its lending activities but also through synergies developed across its investment banking,

advisory services, and subsidiaries. The Bank will continue to deliver multifaceted impact through the Türkiye Green Fund—which made its first investment in Ateş Çelik, a leading domestic equipment manufacturer, during the reporting period—as well as through services aimed at deepening the transition to a low-carbon economy. The Türkiye Green Fund, the first venture capital investment fund in Türkiye and globally, established with credit financing and focused on emissions reduction and inclusive transformation, is expected to reach a total size of USD 405 million.

TSKB aims to increasingly leverage its expertise and capabilities to strengthen its impact in sustainability, both directly and through its subsidiaries, and to increase the contribution of sustainability-linked activities to its consolidated financial performance.

Financial Guidance (Bank Only)	2025 Year-End Guidance (%)	2025 Year-End Results (%)	2026 Year-End Guidance (%)
Growth			
FX-Adjusted Loan Growth	Low Teens	11.2	Low Teens
Profitability			
Net Interest Margin	~5	5.6	~4.5
Fees and Commissions Growth	~ Average CPI	-17	>50
Return on Equity	~30	29.3	~25
Efficiency			
OPEX Growth	> Average CPI	53	> Average CPI
Solvency*			
Capital Adequacy Ratio	~21	20.3	~19
Tier 1 Ratio	~20	19.2	~18
Asset Quality			
NPL Ratio	<2.5	2.4	~2.5
Net Cost of Risk (excluding currency impact)	<50 bps	55 bps	~50 bps

*Excluding BRSA regulatory forbearance measures

NATURAL CAPITAL

Target

Performance

Continue efforts to define technical screening criteria for lending practices and conduct portfolio analysis in line with the forthcoming Türkiye Green Taxonomy Regulation and the BRSA Green Asset Ratio Communiqué	The BRSA Green Asset Ratio Communiqué was published in April 2025. In line with the Communiqué, TSKB reviews its portfolio, carries out periodic reporting and calculates its green asset ratio. Following the publication of the Türkiye Green Taxonomy Regulation in the Official Gazette, a feasibility study will be conducted to assess the related obligations and implementation steps.
Continue efforts on the governance, measurement and financial quantification of climate-related risks, as well as on stress testing and scenario analyses related to these risks, in line with local and global regulations, including the draft Guideline on the Effective Management of Climate-Related Financial Risks by Banks	Following the publication of the Guideline on the Management of Climate-Related Financial Risks by the BRSA in July 2025, the Bank conducted a comprehensive gap analysis under the coordination of the relevant departments. Action steps have been defined to ensure the internalization of practices across the Bank and to achieve full compliance. In this context, climate-related responsibilities, relevant department and reporting processes have been clarified, and efforts to integrate these into the Bank's internal policies and procedures are ongoing.
Continue capacity building under the Carbon Border Adjustment Mechanism (CBAM) through gap analyses	Guidance documents published by the European Commission have been closely monitored. Questions from portfolio clients regarding CBAM reporting have been addressed, and capacity has been enhanced through the analysis of responses received.
Conduct information sessions with subsidiaries, affiliates and clients in line with TSRS 2 Climate-Related Financial Disclosures	Four information sessions were conducted for subsidiaries and affiliates.
Maintain a leading reporting approach by adhering to best practices and internationally recognized standards, and continue to improve TSRS alignment in forthcoming integrated annual reports	TSRS-aligned Sustainability Reports for 2024 and 2025 have been published, and the 2025 Report can be accessed on page 194.
Conduct internal rating studies by integrating a climate risk management perspective into credit processes	Efforts are ongoing in collaboration with the Climate Change and Sustainability Management and Risk Management Departments.
Continue the development of the TSKB Circular Economy Strategic Plan	A Circular Economy Roadmap has been developed in line with the Circular Economy Strategic Plan. The Roadmap can be accessed on page 82 under the Financial Capital section.
Develop a policy by building technical capacity in nature and biodiversity.	The Nature and Biodiversity Policy has been developed and disclosed to the public on the Bank's corporate website. The Policy can be accessed here .
Continue to develop methodologies and metrics to monitor emissions in carbon-intensive sectors and increase the share of loans covered by financed emissions calculations	In the 2025 greenhouse gas inventory, the coverage of emissions calculations for carbon-intensive sectors increased from 91% to 94%. In addition, the scope of financed emissions calculations was expanded to include emissions from private sector bonds, funds owned by the Bank and affiliates.
Strengthen capacity as a signatory to PCAF	TSKB has become a signatory to PCAF. The Bank's PCAF signatory status and membership support capacity building in portfolio emissions calculations by providing technical guidance and enabling collaboration with global financial institutions.
Expand the scope of embedded emissions calculations	During the year, the calculation approach was reviewed, methodological developments were closely monitored, and efforts were undertaken to update the datasets used in calculations and to enhance the representativeness of actual data.
Evaluate carbon pricing approaches for managing portfolio risks in credit processes	As part of the scenario analyses conducted in 2025, national and international carbon pricing mechanisms were researched and evaluated; this approach contributed to a better understanding of the underlying principles of these mechanisms within ongoing carbon pricing efforts.



FUTURE TARGETS

- Build capacity in nature and biodiversity by 2030, conduct portfolio analyses to identify sectoral dependencies and impacts, define related risks and opportunities, and establish and advance international collaborations for knowledge sharing.
- Continue efforts on the governance, measurement and financial quantification of climate-related risks, as well as stress testing and scenario analyses, in line with local and global legislative frameworks, including the Guideline on the Effective Management of Climate-Related Financial Risks by Banks.
- Keep the Bank's climate, environmental and social risk assessment tools up to date in line with local regulations and evolving international standards, and enhance their functionality.
- Conduct internal rating studies by integrating a climate risk management perspective into credit processes.
- Expand the share of clients and portfolio coverage included in financed emissions calculations in carbon-intensive sectors.
- Evaluate carbon pricing approaches for managing portfolio risks in credit processes.
- Apply AdapTool to at least 100 clients by 2030 to assess their vulnerability to physical climate risks and their adaptation capacities.
- Ensure full alignment with the Circular Economy Roadmap, while strengthening internal capacity and raising awareness among clients.
- Implement the Circular Economy Self Assessment Tool to analyze clients' circular practices and identify areas for improvement.

NATURAL CAPITAL

The Nature and Biodiversity Policy has been added as a complementary policy to the Bank's Sustainability Policy.

It is acknowledged that the ecosystem crisis is a critical global risk affecting the environment, ways of life, and business practices, and that a significant responsibility has been assumed in this context. The fundamental approach is to conduct activities that support sustainable development in collaboration with stakeholders to combat this unprecedented crisis. Guided by a financing strategy focused on a triple transformation that includes a nature-positive approach, TSKB will continue to shape the future of development as it has in the past.

TSKB, which operates with the mission of contributing to Türkiye's inclusive and sustainable development, took a pioneering step in the 1980s by being the first to integrate environmental factors into its credit assessment processes. By the 1990s, the Bank further advanced its sustainable finance approach by starting to offer environmental loans.

The Environmental Management System, established in 2005, was developed over time and evolved into the Sustainability Management System (SMS). SMS practices are supported by policies and procedures, and systematic monitoring mechanisms are in place to track their effectiveness. The system is regularly reviewed and updated in line with international management standards (ISO 14001 Environmental Management System and ISO 14064-1 Greenhouse Gas Accounting and Verification Standard) and strategic priorities.

The Environmental and Social Risk and Impact Management Policy and the Climate Change Mitigation and Adaptation Policy form the cornerstones of the Bank's environmental, social, and climate risk management strategy. The Environmental and Social Risk and Impact Management Policy enables the Bank to systematically assess and manage the environmental and social impacts that may arise from its operations and financing processes.

The Climate Change Mitigation and Adaptation Policy ensures the management of risks and opportunities arising from climate change and aims to strengthen the Bank's resilience to transition and physical risks. Through this policy, the Bank commits not to finance new or capacity-expansion investments in coal-fired thermal power plants and coal mining for electricity generation, and to phase out financing the coal sector by the end of 2035. You can access the policies on the Bank's [corporate website](#).

The Bank manages greenhouse gas emissions from its operational and lending activities in line with its net-zero commitment, following emission reduction targets approved by the Science Based Targets initiative (SBTi). Portfolio targets in this context are considered a strategic reference in shaping the portfolio's sectoral distribution and in financing allocation decisions.

Following the reporting period, in February 2026, the Sustainability Policy and its complementary policies, which are central to TSKB's sustainability vision, were reviewed and updated by resolution of the Board of Directors (BoD) to ensure holistic alignment among the policies, to reflect national and international developments, expectations of funding institutions, ESG rating methodologies, local and global trends, the requirements of certificates and initiatives to which the Bank is a signatory or holder, and best practices. Furthermore, the Nature and Biodiversity Policy, which the Bank developed in 2025, came into effect during the same period with the approval of the Board of Directors. This development is a significant step, representing the integration of a focus on nature and biodiversity into the Bank's strategic framework in 2025.

TSKB'S CLIMATE AND NATURE JOURNEY

1980

Integration of environmental factors into the loan evaluation processes for the first time

1990

First environmental loan disbursement

2005

Establishment of the Environmental Management System (EMS)

Design of the Environmental and Social Risk Evaluation Tool (ERET)

2006

Publication of the Environmental Policy

2007

First Turkish bank to obtain ISO 14001 Environmental Management System

Assessment of all investment projects under the ERET

2008

Implementation of the Net Zero Banking Principles

First carbon-neutral bank in Türkiye in terms of operational activities

Publication of the First Sustainability Report



TSKB'S CLIMATE AND NATURE JOURNEY

2009

First Turkish bank to become a member of UNEP FI

Commencement of supplying Bank's buildings with electricity from renewable energy sources

2012

First Turkish bank to obtain ISO 14064 Certification

Revision of the Environmental Policy and EMS into a Sustainability Policy and Sustainability Management System (SMS)

2013

First CDP Climate Change Report published

2015

Signatory to the IDFC Climate Declaration

2016

Issuance of the first green/sustainable bond in Türkiye and the CEEMEA Region

Climate Change Statement published

2019

Coordination Unit Directorship of the IDFC Climate Facility

Founding signatory to the UNEP FI Principles for Responsible Banking



2020

Establishment of the Climate Risk Working Group

Participation in the TCFD Phase II Banking Pilot Program

Signatory to the Finance in Common Summit Declarations on Sustainable and Resilient Global Recovery, Biodiversity, Gender Equality and Women's Empowerment

Publication of the first "Ecosystem Review Paper" series by TSKB Economic Research

2021

Supporter of TCFD and participation in the UNEP FI TCFD Phase III Banking Pilot Program

Climate Change Mitigation and Adaptation Policy published

The first Climate Risk Report in Türkiye's financial sector, aligned with TCFD recommendations, published

Commitment not to finance new coal-fired power plants and coal mining for electricity generation

2022

Use of the Climate Risk Evaluation Tool (CRET) for all loans

Signatory to the Net-Zero Banking Alliance (NZBA)

Participation in the IDFC Biodiversity Working Group

2023

SBTi approval for emissions reduction targets

Setting of 2030 interim targets in line with the NZBA Framework

Participation in the UNEP FI 2023 Climate Risk and TCFD Program

Inclusion of climate risks in the Bank's Risk Catalogue

2024

TSRS-aligned 2023 climate risk report

Expansion of CDP reporting to include Water and Forest Modules in addition to the Climate Module

Commitment to phase out coal by 2035 through the revision of the Climate Change Mitigation and Adaptation Policy

2025

Signatory to PCAF

First Green Asset Ratio reporting

CDP Global A List in Climate Change and Water Security Modules, and B Score in the Forest Module



TSKB'S CLIMATE AND NATURE JOURNEY

2026

Publication of the Nature and Biodiversity Policy

Membership in the TNFD Forum

Revision of the Sustainability Policy and complementary policies with a nature and biodiversity focus

2027

SBTi Long-Term Corporate Loans temperature score targets

2030

USD 15 billion in sustainable financing to be provided between 2021 and 2030

USD 5 billion in climate financing to be provided between 2024 and 2030

Interim sectoral emission intensity targets for Electricity Generation, Project Finance, and Commercial Real Estate

2035

Coal financing phase-out

SBTi Scope 1–2 and sectoral targets

2050

Achievement of Net Zero



The climate and nature journey, shaped by the triple transformation framework and the net-zero target, aligns with the thematic financing approach that TSKB has long adopted as a development and investment bank. In the Bank's funding structure, development finance institutions provide long-term, theme-based resources; in the loan portfolio, climate finance for the transition to a low-carbon economy and for adaptation prioritizes themes such as renewable energy, energy efficiency, resource efficiency, and the circular economy. In line with its climate strategy and within the scope of the SDG Mapping Model detailed in the Financial Capital section, the Bank aims to maintain the ratio of climate- and environment-related loans in its loan portfolio at 60% or higher by the end of 2030 and to provide USD 5 billion in climate financing by 2030.

On the other hand, the rapidly evolving regulatory framework at the national level, increasing stakeholder expectations, and regular dialogue processes with relevant institutions are of strategic importance to the Bank. Policy and guidance efforts on climate risks, sustainable finance, taxonomy, and carbon markets, conducted by relevant public authorities, particularly the Banking Regulation and Supervision Agency (BRSA) and the Directorate of Climate Change, are among the key reference points in determining the Bank's strategic direction and processes.

Indeed, the expectations set forth in the BRSA's "2025–2028 Strategic Plan," the "Communiqué on the Calculation of Banks' Green Asset Ratio" published in April 2025, and the "Guideline on the Management of Climate-Related Financial Risks" published in July 2025, respectively, played a guiding role in the Bank's activities throughout 2025. In this context, progress was made in 2025 on efforts to reflect these expectations in risk policies, the risk appetite framework, and capital allocation processes through a phased approach, taking into account the maturity of the data infrastructure, methodological development, and applicability.

With the publication of the Nature and Biodiversity Policy in February 2026, the scope of the Bank's environmental and social risk management approach was expanded in line with the "twin crisis" perspective that addresses climate change and nature loss together. The goal is to gradually integrate dependencies on and impacts on nature, as well as related risks and opportunities, into the Bank's sustainability and risk management processes. In this regard, TSKB plans to identify and prioritize risks and opportunities for all its activities and internal operations in the field of nature and biodiversity using science-based analytical tools and data-driven methods.

In this process, the Bank supports more effective management of nature-related risks, the development of impact mitigation practices, and the adoption of nature-positive solutions by initiating proactive engagement with clients in sectors with high dependencies on and impacts on nature. To accelerate the nature-positive transformation and protect biodiversity, the Bank aims to strengthen collaborations with national and international stakeholders, undertake joint projects with the public sector, private sector, academia, and civil society organizations, support knowledge sharing, and contribute to the development of national policies, standards, databases, and best practices.

Scientific studies in the fields of climate and nature show that achieving net-zero targets is not possible through a purely technical transformation based on emission reductions; it requires a multidimensional transformation that includes land use, ecosystems, value chains, and social dimensions. This approach also forms the conceptual basis of the "triple transformation" framework, which addresses the green transformation aligned with net-zero and nature-positive goals, alongside social and digital transformations.



TSKB's 2050 net-zero emissions target is not just a goal to reduce carbon intensity for the Bank; it is treated as a holistic process encompassing portfolio structure, sector preferences, supply chains, and financing priorities. From this perspective, the Bank considers alignment with its net-zero target not only as an area of environmental responsibility but also as a strategic priority for strengthening its social capital, including the sustainability of its financial capital, the competence and transformation capacity of its human resources, its relationships with stakeholders, and its reputation.

STRATEGIC FOCUS: NATURE AND BIODIVERSITY

NATURE AND GLOBAL IMPACTS

Nature is defined as a holistic system encompassing all non-human living beings and the network of interactions these beings have with other living or non-living elements and processes (IPBES Global Assessment, 2019). Globally, economic activities are highly dependent on nature; it is estimated that 55% of the world's gross domestic product—approximately USD 58 trillion—is moderately or highly dependent on nature and the ecosystem services it provides (WWF Living Planet Report, 2024). This reality clearly demonstrates that nature is not only an environmental asset but also the fundamental infrastructure of the economic system.

Assessments published by the Intergovernmental Panel on Climate Change (IPCC), the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), and the World Economic Forum (WEF) emphasize the need for stronger and more holistic policy and financial actions in the face of the urgent climate and ecological crises. The World Economic Forum's Global Risks Report 2025 identified biodiversity loss and ecosystem collapse as the second-highest global risk over the next ten years, with risks related to natural capital accounting for five of the top ten risks.

The IPBES Business & Biodiversity Assessment report, the summary of which was approved by 150 countries in February 2026, highlights a critical reality for the business world: traditional business models that appear profitable in the short term lead to the crossing of hard-to-reverse thresholds in ecosystems through accumulated impacts across different sectors, resulting in systemic consequences on a global scale. The report clearly states that nature is the foundation of the economy, nature loss poses a systemic risk to businesses, and all businesses both impact and depend on nature.

The common finding of scientific studies is that the diversity of species and ecosystems is essential for the sustainability of the services nature provides to humanity—food, raw materials, a habitable environment, and other life-support systems. The conservation of biodiversity directly supports not only ecological balance but also food security, public health, economic stability, employment, and the fight against poverty. At the same time, biodiversity is a fundamental element that enhances the resilience of habitats, particularly against the impacts of climate change.

The Kunming-Montreal Global Biodiversity Framework (GBF), adopted at COP15 in 2022, establishes an international roadmap toward a “nature-positive” world by 2030 and constitutes the nature equivalent of the Paris Agreement on climate change. However, current trends indicate that global financial flows are not aligned with these targets.

According to data from the Biodiversity Finance Factbook – COP30 Edition, published in November 2025, the GBF's annual financing target of USD 700 billion has a shortfall of approximately USD 1.3 trillion as of the end of 2024. Although biodiversity finance has surpassed USD 300 billion, subsidies harmful to nature have increased by over USD 900 billion since 2022. This picture reveals that global policy and incentive mechanisms are not sufficiently aligned with nature-related targets.

Similarly, the State of Finance for Nature 2026 report, published under the coordination of UNEP, highlights the need for urgent action to initiate the “Big Nature Turnaround.” According to the report, only USD 220 billion is allocated annually to nature conservation, while approximately USD 7.3 trillion is directed toward activities that cause environmental destruction. This stark imbalance shows that nature conservation is not just an environmental priority but a strategic imperative for the sustainability of the economic system.

NATURE AND BIODIVERSITY AT TSKB

In its Integrated Annual Report for the 2024 fiscal year, TSKB identified nature and biodiversity as a future focus area, setting a goal to develop technical capacity and formulate policy. In line with this goal, the Bank took concrete steps in 2025 to strengthen its corporate capacity, making nature and biodiversity one of its strategic priorities.

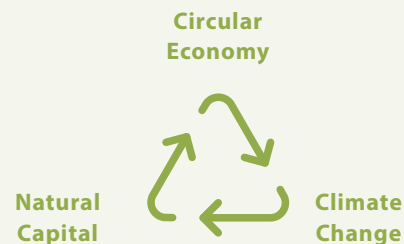
In this regard, TSKB strengthened its corporate technical capacity by participating in training and knowledge-sharing platforms organized by the Taskforce on Nature-related Financial Disclosures (TNFD) and other international initiatives. It also actively participated in the IDFC Biodiversity Working Group, taking part in capacity-building programs that covered global financial frameworks, the TNFD LEAP approach, investment assessment methodologies, and biodiversity risk and materiality analysis, all of which support the integration of nature into financial decision-making processes.

With its Nature and Biodiversity Policy published in February 2026, the Bank's climate-focused environmental risk management approach was reviewed in line with the "twin crisis" perspective, which addresses climate change and nature loss together. Additionally, TSKB comprehensively reviewed and updated its sustainability policy set, which forms the foundation of its sustainability vision, and its exclusion list from the perspective of nature and biodiversity conservation and restoration.

TSKB acknowledges the strong reciprocal interaction between climate change and the natural environment and recognizes that the importance of this approach will continue to grow. The Bank recognizes that the degradation of natural ecosystems can accelerate climate change by reducing the capacity of carbon sinks, and conversely, that climate change can deepen biodiversity loss by weakening ecosystem resilience.

Similarly, it foresees that nature loss can create risks in the human rights dimension by affecting the livelihoods of local communities and can undermine circular economy goals through resource inefficiency.

Through this multi-layered interaction, the Bank advocates that issues of nature, climate, human rights, and resource efficiency should not be addressed independently but from a holistic system perspective.



The reciprocal interactions among natural capital, climate change, and the circular economy create interconnected risks and opportunities. TSKB aims to assess these relationships with a holistic approach and guide them through sustainable financing decisions.

The relationship between economic activities and nature is a complex system built on dynamics of mutual dependency and impact. Companies' business models and value chains rely on natural capital and ecosystem services at all stages, from raw material procurement to production, and from financing to investment.

At the same time, these activities have direct or indirect impacts on nature through factors such as land-use change, resource consumption, emissions, and habitat pressure. Financial institutions, through their own operations as well as their lending and investment activities, are integrated into their clients' value chains and thus have both dependencies and impacts on natural capital.

Therefore, for the financial sector, understanding nature-related risks and opportunities is a fundamental component not only of environmental responsibility but also of financial risk management.

When assessing TSKB's impacts on nature, it is evident that the impacts arising from financed activities extend beyond the Bank's own operational impacts. While direct control over operational activities is possible, managing the impacts of financed projects on nature requires a transformation process conducted in collaboration with clients.

Therefore, to ensure the effective management of nature-related risks and to support the alignment of activities with planetary boundaries, the Bank will prioritize a holistic analysis of the impacts and dependencies of its financed activities on nature.

In this framework, the Bank has planned to structure its analysis approach to be consistent with the LEAP (Locate, Evaluate, Assess, Prepare) methodology developed by TNFD.

In this context, scientific tools such as ENCORE and WWF Biodiversity Risk Filter will first be used to examine the portfolio's sectoral and geographical distribution to identify which activities have more intensive interactions with nature. Subsequently, the criticality and materiality levels will be determined by assessing the dependencies of these activities on natural capital and ecosystem services, as well as their impacts on nature.

The physical, transition, and systemic risks, along with nature-positive opportunities arising from the identified critical dependencies and impacts, will be analyzed. The potential impacts of these elements on the Bank's financial risk profile, credit terms, and portfolio composition will be assessed. Based on the findings, the integration of the analysis results into credit processes, portfolio management, and policy frameworks will be considered to make the management of nature-related risks and the assessment of opportunities a part of corporate decision-making mechanisms.

Within this framework, TSKB aims to assess environmental and social issues as interconnected areas of risk and opportunity, and to identify financing opportunities that support sustainable transformation in parallel with nature-related dependency and impact analyses in the coming years.

Thus, the Bank's approach will not be limited to a risk-management approach focused solely on mitigating negative impacts; it will also encompass strategic financing solutions that support nature-aligned development in areas such as climate adaptation, emissions reduction, and the circular economy.

From this perspective, the Bank's updated Sustainable Finance Framework of July 2024, with its included theme of "Natural Resource and Land Use Management," is an example set by TSKB for the systematic definition and classification of nature-related financing areas.

ERET MODEL

The ERET Model, developed by the Bank in 2005, forms the basis of its impact monitoring and reporting, which is considered one of its strongest areas of expertise by stakeholders. Following a comprehensive update in 2020, the model is implemented in alignment with current environmental and social risk management approaches in the international financial sector.

ERET analyzes the environmental and social performance of companies and investment projects in the portfolio using multi-dimensional, nature-related indicators, including natural resource and water use, land-use change, proximity to protected areas, habitat impacts, emissions, waste management, hazardous substance and pesticide use, and pressures on the ecosystem. This structure enables the Bank to identify potential impacts on biodiversity at an early stage in its financing decisions and to integrate action plans for risk management into its credit processes.

ERET outputs take the identified action plans and areas for improvement into account when assessing the ability of the investment and/or the client to manage risks over the life of the loan. Thus, ERET is positioned not only as a risk evaluation tool but also as a strategic management framework that enables TSKB to systematically address nature and biodiversity in its financial decision-making processes.

COLLABORATION WITH STAKEHOLDERS

By signing the Biodiversity Declaration published by the International Development Finance Club (IDFC), of which the Bank has been an active member since 2011 and a Steering Committee member since 2019, the Bank declared its support in 2020 for the ambitious and effective implementation of the Kunming-Montreal Global Biodiversity Framework. This commitment demonstrates the Bank's determination to systematically integrate biodiversity into its financial decision-making processes and reflects its mission to strengthen nature-based solutions and support sustainable development. In the joint IDFC statement released ahead of COP30 in Brazil, TSKB supported the collective goal of contributing to the dissemination of financing approaches that provide simultaneous benefits in the climate and nature and mobilizing USD 100 billion in biodiversity finance by 2027. With this statement, the goal is for at least 10% of IDFC's green financing to generate measurable biodiversity outcomes by 2030.

In Türkiye, in 2025, under the coordination of the Ministry of Agriculture and Forestry and the Nature Conservation Center, and within the scope of the "Global Biodiversity Framework Early Action Support Project" (GEF-7 Project) supported by the Global Environment Facility (GEF) and the United Nations Environment Programme (UNEP), efforts were initiated to review the alignment of National Biodiversity Strategies and Action Plans (NBSAPs) with the new global framework, assess gaps in monitoring systems, and create a national monitoring action plan. Additionally, under GEF-8, a process has been initiated in collaboration with the Ministry of Agriculture and Forestry, the General Directorate of Nature Conservation and National Parks, and the United Nations Development Programme (UNDP) to prepare a National Biodiversity Finance Plan to support



Türkiye in achieving its national biodiversity targets. In line with its pioneering role in development banking and its institutional expertise in sustainable finance, TSKB has actively contributed to these workshops as a stakeholder from the financial sector.

You can find details on TSKB's climate and nature journey on page 95.



TSKB BECAME A MEMBER OF THE TNFD FORUM IN JANUARY 2026

With this step, we contribute to the development of international standards for nature-related financial risk management while strengthening our knowledge and technical capacity in line with global best practices.



STRENGTHENED PERFORMANCE IN CDP

In CDP's 2025 assessment, we were included in the global A List for the Climate Change and Water Security modules. In the Forest module, where we pioneered reporting among banks in Türkiye last year, we maintained our B score.



TSKB 75TH ANNIVERSARY MEMORIAL FOREST

With a vision for a sustainable future, we continue to expand our TSKB Memorial Forest project, which was launched in 1996 by planting 46,000 saplings in Sarıyer Rumeli Feneri to contribute to Türkiye's afforestation efforts on the Bank's 46th anniversary. In 2025, as part of our 75th anniversary, we expanded the project to include different areas in Istanbul and Ankara, reaching a total of 75,000 saplings.

CLIMATE CHANGE MITIGATION, ADAPTATION, AND TRANSITION TO A RESILIENT ECONOMY

For many years, emissions reduction has been the focus of the policy and finance agenda in addressing climate change. While mitigation investments remain critically important, current scientific projections show that the world is moving away from the target of limiting global temperature rise to 1.5°C, and the likelihood of higher temperature scenarios is increasing. This situation demonstrates that it is imperative not only to transition to low-carbon economies but also to build economic systems and societies resilient to climate conditions. Physical impacts such as droughts, floods, extreme heat, and storms create risks that can directly affect economic activities, social welfare, and financial stability. Türkiye is among the economies highly exposed to climate risks. Water stress, floods, forest fires, and supply chain vulnerabilities are among the main risk areas that can directly impact economic performance and social welfare.

Considering these risks in Türkiye and around the world, adaptation investments stand out not as a complementary but as a fundamental component of climate action. Despite this, adaptation finance remains a significant gap on a global scale. International assessments show that adaptation investments are technically feasible and cost-effective in most cases; the main problem is not technological inadequacy but the absence of investment demand, driven by a tendency to postpone, and the insufficient mobilization of capital flows.

The current situation points to a structural paradox for the financial system: as long as sufficient financing is not provided for adaptation investments, economic losses grow; as losses grow, risk perception increases, and access to finance becomes even more difficult. Therefore, the primary need in the area of adaptation is not only to provide more resources but also to develop analytical tools, risk measurement methodologies, and financing structures that will direct capital to the impactful projects.

TSKB supports the expansion of adaptation capacity by developing financial solutions that enable companies to include their suppliers in their transformation processes through direct or supply chain analyses. In this context, the Bank treats climate change adaptation not just as a risk management issue, but as a strategic financing area that strengthens economic resilience, creates investment opportunities, and supports sustainable development. In this regard, and in line with Türkiye's national climate policies, TSKB initiated efforts at the end of 2024 to develop a financing program with the IBRD, part of the World Bank Group, based on a Partial Credit Guarantee structure. This structure aims to accelerate private sector investments by strengthening risk sharing in adaptation finance. One of the program's key components is the development of an analytical infrastructure to ensure the accurate identification of adaptation investments. As part of this analysis, AdapTool, developed by TSKB in 2025, was designed as an analytical assessment tool to measure the risk exposure to climate change and the adaptation capacity of companies' facilities in specific locations, and it was positioned as part of the evaluation criteria within the IBRD financing program.

ADAPTOOL

AdapTool analyzes four key dimensions—measures at the level of business assets, supply chain resilience, market diversity, and dependencies on third-party infrastructure—to evaluate not only risk exposure but also the capacity to adapt to identified risks and impacts, taking into account their effects on business operations and financials. Using the outputs of the CRET as input, AdapTool provides companies with concrete roadmaps by identifying, for each risk category, priority investment areas and applicable adaptation measures based on the assessment outputs.

In this respect, AdapTool is not just a measurement tool but also a decision-support mechanism that helps companies shape their adaptation strategies. It aims to contribute to increasing adaptation capacity by guiding firms on which strategic measures to prioritize, even in cases where access to financing is limited.

TRANSITION FINANCE

Under the transition financing heading in the TSKB Sustainable Finance Framework, the Bank;

- A climate transition strategy aligned with Türkiye's national strategy or with scientific studies,
- Emission reduction targets aligned with the Paris Agreement and/or national roadmaps, and
- The Bank finances the green investments of companies in high-emission sectors that have publicly disclosed metrics.

A second-party opinion was obtained from Sustainalytics for the framework document prepared by TSKB, which is one of the first implementations in the world and is aligned with the International Capital Market Association (ICMA) Climate Transition Finance Handbook. You can review the Sustainable Finance Framework [here](#).

CLIMATE RISKS AND OPPORTUNITIES

Climate risk refers to the economic, social, and environmental consequences of adverse effects arising from climate change. These effects can pose significant financial risks for organizations in the short, medium, and long term. The Bank is aware of the climate risks in the business area in which it operates when making rational and strategic decisions. Risks arising from climate change are classified as physical and transition risks. The Bank considers physical and transition risk factors when creating and implementing its business strategies and assesses the impact of these risk factors on its business model.

Physical Risks

Physical risks are risks arising from the potential physical impacts of climate change on institutions' assets, operations, workforces, supply chains, and markets. These risks can arise from sudden events (acute) or from long-term changes in climate (chronic), and can therefore have short-, medium-, and long-term impacts. The climate-related hazards that can cause chronic and acute risks are summarized below.

Acute Risks

- Heat Wave
- Landslide
- Wildfire
- Heavy Rainfall and Flooding
- Severe Wind

Chronic Risks

- Water Stress
- Sea Level Rise
- Meteorological Drought

Transition Risks

Transition risks refer to the potential risks arising from the process of transitioning to a low-carbon economy. This process may include policy, legal regulations, technological innovations, and market changes aimed at meeting emission reduction and adaptation needs related to climate change. The nature, speed, and focus of these changes may cause transition risks to pose varying degrees of financial and reputational risk for organizations. In this context, risks can arise from regulatory and legal obligations, the transformational pressure created by the shift to low-carbon technologies, market shifts in supply-demand dynamics, and changes in stakeholder perception regarding the institution's position in the transition process.

TSKB assesses the short-, medium-, and long-term financial impacts of potential sustainability-related risks and opportunities, including climate, and directs its activities in light of this information, taking preventive steps when necessary. The process of identifying, assessing, and monitoring climate-related risks and opportunities is a result of the Bank having integrated these risks and opportunities into its core strategy. The Environmental and Social Risk Evaluation Tool (ERET), applied to all loans, examines projects' environmental and social risks, including climate risks, to provide data for the Bank's credit rating system. The results of the Climate Risk Evaluation Tool (CRET) are reviewed monthly by the Credit Committee using a Heat Map and integrated into decision-making processes. As a result, the aim is to closely monitor climate-related risks and opportunities and to enhance the portfolio's climate resilience. Furthermore, monitoring these risks and opportunities plays a significant role in financing decisions, as it is directly linked to the Bank's SBTi-approved targets. The Bank's commitment to phase out coal financing by the end of 2035, in line with its 2050 net-zero emissions target, stands out as a strategic decision for managing climate risks at the portfolio level.

The Bank monitors its clients by classifying them according to their transition risk levels to track and manage the credit portfolio's exposure to climate change transition risk and to detect potential risk concentrations in carbon-intensive sectors at an early stage. In this context, the share of clients operating in high and medium-high transition risk sectors within the portfolio, risk concentration, and its evolution over time are regularly monitored through the Climate Risk Evaluation Tool and the Heat Map, and reported to the General Management and the Audit Committee by the Risk Management Department. TSKB has additional monitoring mechanisms for clients operating in high-transition-risk sectors. Within this scope, the portfolio ratio of loans to clients

with high transition risk is monitored within the risk management framework, taking into account their progress in the green transition and their greenhouse gas emission reduction targets.

Climate risks to the Bank are examined from the perspective of direct and indirect impacts. Direct risks focus on the impacts of climate change on the Bank's operations and activities, while indirect risks focus on the impacts of climate change on

the Bank's products, services, and loan portfolio. The Bank's Risk Catalog includes climate risk and its transmission to other risk types.

The Bank defines the impacts of sustainability-related risks and opportunities, including climate, on its operations, strategy, and financial structure at the short-, medium-, and long-terms which it applies in its strategy and projection studies.

Short <1 year	The Bank defines the short term as a period of up to one year.	The Bank monitors the targets set within its medium- and long-term strategy on a monthly basis. It repeats its scenario analyses for sustainability-related risks and opportunities, including climate, annually. By continuously monitoring its portfolio from an environmental, social, and climate risk management perspective, TSKB can detect any misalignment affecting its performance or resilience early and incorporate the necessary actions into its business plan.
Medium 1-5 years	The Bank defines the medium term as a period of one to five years.	Over the one- to five-year period, the Bank assesses climate- and sustainability-related risks and takes strategic steps to adapt to acute physical risks and new regulations. Developments in national and international legislation expected to come into force rapidly are anticipated to have a medium-term impact on Türkiye's economy. In line with this forecast, the Bank closely follows developments, aims to maintain alignment between its strategy and these developments, and continues to support Türkiye's sustainable and inclusive development. Within this framework, the Bank takes an active role in national and international initiatives, contributing to related efforts and shaping its future plans.
Long 5 years<	The Bank defines the long term as a period of five years or more.	With its 2050 net-zero emissions commitment, TSKB aims to zero out emissions from its own operational activities while aligning its portfolio with net-zero emissions, and it formulates its strategy and sets targets accordingly. This timeframe is a critical period for taking strategic steps to achieve SBTi-approved emission reduction targets and to realize SDG-linked lending targets. The long-term strategy is critically important both for minimizing sustainability risks, including climate, and for capitalizing on opportunities that arise during the transformation process. Negotiations with development finance institutions and international financial organizations, which are among the Bank's most important stakeholders, are also conducted in this direction.

To manage its sustainability-related risks, including climate, and to capitalize on opportunities, TSKB addresses its impacts on, dependencies on, and the links between risks and opportunities related to the climate and environment as a whole. In this regard, the Bank prioritizes risks and opportunities with a significant financial or strategic impact in its processes for responding to risks, adapting to developments, and creating opportunities. TSKB defines a material financial or strategic impact as one that could lead to significant operational, financial, or strategic changes in the Bank's activities, and identifies it to represent all sustainability-related risks and opportunities that are expected to reasonably affect the Bank's future financial adequacy.

Based on analyses conducted by the Risk Management, Budget Planning, and Climate Change and Sustainability Management departments, any impact that is approved by senior management and that equals 3% of the Bank's Tier 1 capital is defined as a material impact. The material impact threshold is calculated separately each year in projection studies that also feed into scenario analyses, and the materiality of the relevant risks and opportunities is determined. Risks and opportunities that may have a significant impact are assessed and monitored within certain limits and within the risk policy framework. The material impact threshold is based on capital levels and other regulatory thresholds that may change over time. The material impact threshold is assessed periodically at least once a year, and the related projection studies are updated if deemed necessary.

Through these analyses, the probability and severity of risks and opportunities are examined in the short, medium, and long term. In accordance with the TCFD guidelines, which are part of the IFRS Foundation, TSKB analyzes the physical and transition risks in its loan portfolio and assesses short-, medium-, and long-term risks and opportunities. These risks are incorporated into the Bank's risk management processes.

Managing Environmental, Social, and Climate-Related Risks, Opportunities, and Impacts in Lending Activities

The Bank conducts analyses using a heat map and the CRET, which it developed in 2021, to assess the resilience of its loan portfolio to climate-related risks. Additionally, the environmental and social risks of all loans are examined using the ERET developed in 2005. To monitor the alignment of its financing structure with SBTi targets, the Bank analyzes the impact of each loan on these targets. Loans are examined within the scope of long-term sustainable finance goals and the SDG Mapping Model. CRET scores, Heat Map results, and the performance of SBTi targets are updated monthly in line with loan requests and presented to the Credit Committee to show their potential impact on the portfolio. Thus, a current situation analysis is conducted within the context of climate risks and opportunities, and the potential future impact on the portfolio is assessed within the framework of the targets. Based on climate risk assessments, sectors with high exposure to climate risks are closely monitored, and sector-specific scenario analyses are conducted. In the context of all these activities, the Bank aims to manage the environmental and social impacts of its portfolio and increase its climate resilience.

Elements Integrated into the Credit Evaluation and Decision-Making Process:

1. ERET
2. CRET - Heat Map
3. Portfolio Temperature Score Analysis
4. SDG Analysis

Environmental and Social Risk Evaluation Tool (ERET)

In 2005, TSKB designed the Environmental and Social Risk Evaluation Tool (ERET) based on the standards of international development finance institutions and the Equator Principles to measure the environmental and social risks of investment projects and started to implement the tool in 2007.

The environmental and social risk rating methodology of the ERET is periodically reviewed by TSKB. Through a comprehensive study conducted in 2020, the model was updated to align with current environmental and social risk management principles in the international financial sector. In the same year, TSKB expanded its environmental and social risk management approach to include working capital loans and created the ERET for Working Capital Loans. With this tool, TSKB monitors the environmental and social impacts and performance of clients receiving working capital loans.

ERET assesses the risks of companies and investment loans in its portfolio from multiple perspectives, ranging from natural resources and water use to factors like waste management, air quality, and emissions. Additionally, health and safety risks, land use, and impacts on cultural heritage and biodiversity are examined. Other important elements included in the ERET assessment are the monitoring and reporting of greenhouse gas emissions, and systems such as the greenhouse gas management system (ISO 14064) and the energy management system (ISO 50001). The analysis conducted with ERET identifies clients' environmental impacts and dependencies, determining areas where they are vulnerable to risks. Based on the results, areas for improvement are identified for clients, and a customized action plan is prepared for them when deemed necessary. The gender sensitivity of the prepared plans and actions taken is also an important consideration.

ERET assessments are included as a notching criterion in the Bank's internal rating model. Thus, ERET results are incorporated into the expected credit loss calculations through the internal rating system, shaping the Bank's financial position.

Investment Projects Evaluated with ERET

The current project risk measurement model, consisting of 35 questions under five headings, is based on studying the potential environmental and social impacts, as well as possible legal and financial liabilities, of an investment project being considered for financing by the Bank from both a current and forward-looking perspective. Based on the environmental and social risk score obtained from the assessment, a plan is developed in collaboration with the investor to mitigate and monitor those impacts. The 2025 assessment results are provided below.

The two high-risk projects assessed in 2025 were the establishment of an advanced chemical recycling facility and an investment in marina renovation and upgrades. Effective risk management is conducted for investments assessed as high-risk by carrying out environmental and social assessment studies. In this context, the companies' environmental and social impacts are examined, Environmental and Social Management Plans and Environmental and Social Action Plans are prepared, and the impacts are monitored at minimum 6-month intervals with support from independent expert consultants. For projects with medium sensitivity to risk, in 2025 infrastructure investments, machinery and equipment, and energy and resource efficiency investments in the metal and machinery, food and beverage, construction and building materials, and chemical and plastics industries, as well as renewable energy

facilities such as solar and wind energy, came to the forefront. For these investments as well, Environmental and Social Management Plans are prepared for project risks, and their implementation status is closely monitored. This year, the Bank again engaged directly with local communities, the primary project stakeholders, during its site visits to renewable energy projects to receive their feedback on project impacts.

Clients with Investment Projects Evaluated with ERET

As required by TSKB's risk management approach, the environmental and social risks arising from the existing activities of financed customers and investors are also measured with the ERET. The assessment within the ERET, defined as customer risk, consists of 12 questions under five headings. The 2025 assessment results are provided below.

ERET for Working Capital Loans

The sole customer assessed in with medium sensitivity in 2025, operates in the copper-alloy parts manufacturing industry. Similar to investment loans, the environmental and social performance of customers with working capital loans is measured, their risks and mitigation methods are monitored, and improvements are encouraged. The environmental and social risk scores of customers assessed under working capital loans in 2025 are provided below.

Climate Risk Evaluation Tool (CRET)

The Bank developed the CRET to assess climate risks in its credit decision processes, conduct comprehensive analyses, and support its development banking strategy. This tool separately scores the transition and physical risks of investment and working capital loans for clients in the portfolio.

The scores, classified into five main categories, are finalized by Bank experts based on the model's results, taking into account clients' adaptation capacity, current physical conditions, action plans, and strategies. In developing the CRET, support was received from Escarus and academic experts on climate and environmental risks. This system, launched as a pilot in 2021, was fully commissioned in 2022 following improvements.

Transition risks are measured in accordance with UNEP FI methodologies. The risks that sectors classified by NACE codes may face during the transition to a low-carbon economy are assessed. The sector's emission intensity, companies' awareness of environmental risks and opportunities, their emission reduction and adaptation efforts, and future investment plans are taken into account.

Physical risks are assessed for every sector in all regions of Türkiye in the short, medium, and long term, considering nine different climate risks. The assessment study considers the IPCC's RCP 4.5 and RCP 8.5 scenarios. The Physical CRET calculates the final score by combining factors related to climate hazards, environmental dependencies, exposure, sensitivity, and adaptation capacity. The results of the CRET, which are considered by the Credit Committee and integrated into decision-making processes, aim to identify climate-related risks at an early stage and to manage and mitigate their financial impacts. The tools used to measure climate risks have a dynamic structure that is constantly evolving internationally.

	Investment Loans Investment Evaluation Results	Investment Loans Customer Evaluation Results	Working Capital Loans Customer Evaluation Results
High Risk A	2	3	0
Moderate-Sensitive Risk B+	34	36	1
Medium Risk B-	97	65	1
Low Risk C	39	7	0

TSKB continues to closely monitor relevant international innovations and best practices to enhance the effectiveness of the CRET methodology.

CRET Next Term Project

Within the scope of the CRET, the goal is to move the Bank's climate change-related transition and physical risk assessment processes from the current manual structure, conducted in excel, to an application-based, integrated data infrastructure. This aims to enable a more accurate, traceable, and standardized analysis of climate risks on a customer and sector basis, thereby increasing data quality and the reliability of reporting. The system to be developed will enable transition and physical risk indicators to be monitored digitally, scenario-based analyses to be performed, and risk scoring to be managed through an automated, sustainable, and reportable framework.

CRET Transition Risks

The Transition CRET assesses transition risks in line with UNEP FI methodologies, also incorporating the opinions of Bank's experts. In this process, the Bank's sector experts analyze how sectors in the NACE classification, particularly those sensitive to climate change, will be affected by the transition to a low-carbon economy. During the assessment, factors such as companies' awareness of climate risks and opportunities, their emission reduction and adaptation efforts, and future investment plans are also taken into account. The Bank uses the final results to determine applicable action plans and considers them in its risk management processes as well as in the implementation of its existing net-zero targets. The Bank is conducting studies to integrate carbon pricing efforts into its transition risk assessment process.

Transition Risk Factors

- Direct emissions costs that may arise from political and legal regulations
- Indirect emission costs that may arise from carbon pricing
- Changes in consumer behavior and resulting revenue losses or gains
- Increased capital expenditures due to the transition to low-emission technology

CRET Physical Risks

Physical risks are operational threats faced by all sectors at a global level. The region and geographical conditions where companies operate play a critical role in determining their sensitivity to climate hazards and, consequently, the magnitude of the risk.

Physical CRET analyzes climate hazards that companies may face and how those hazards change over time, evaluating them at regional and provincial levels. For RCP 4.5 and 8.5 scenarios of the Intergovernmental Panel on Climate Change (IPCC), which are frequently used in international studies, Physical CRET assesses the nine climate hazards listed at the side over two periods (2021–2040 and 2041–2060), on a sector-by-sector basis across all provinces of Türkiye.

The location-based data used in the CRET's physical risk module are obtained from the Republic of Türkiye Ministry of Agriculture and Forestry's Climate Water Project and global sources (data provided by Aqueduct, Copernicus, and NASA). The Physical CRET combines factors related to climate hazards, exposure, sensitivity, and adaptation capacity to generate the final score. Thanks to this approach, the Physical CRET enables a detailed and comprehensive assessment of clients and credit projects based

on two climate scenarios, two time horizons, 81 locations, various sectors, and adaptation capacity scores. Based on the results, action plans related to risk management are requested from the companies, and the identified risk is incorporated into the credit decision process. Additionally, the tools, models, and physical risk data sources used are continuously reviewed, and updates are made to the CRET scoring model when necessary.

Acute Risks

- Heat Waves
- Landslide
- Wildfires
- Heavy Rainfall and Flooding
- Severe Wind

Chronic Risks

- Water Stress
- Sea Level Rise
- Meteorological Drought

Transition Risks Heat Map

As of year-end 2025, 14.6% of the Bank's total loan portfolio is in sectors with moderately high transition risk, and 7.6% is in sectors with high transition risk.

A significant portion of the sectors with moderately high transition risk includes iron and steel (EAF), chemicals, textiles, and paper/cardboard production.

Detailed analyses are conducted for sectors considered to have high transition risk, such as thermal power plants, natural gas combined-cycle power plants, iron and steel (BOF), cement, glass-ceramics, and petroleum and petrochemicals. In these sectors, scenario analyses are performed to determine how they will be affected by regulations and developing technologies, as direct and indirect emission costs, as well as additional investment and operating costs, are expected to arise.

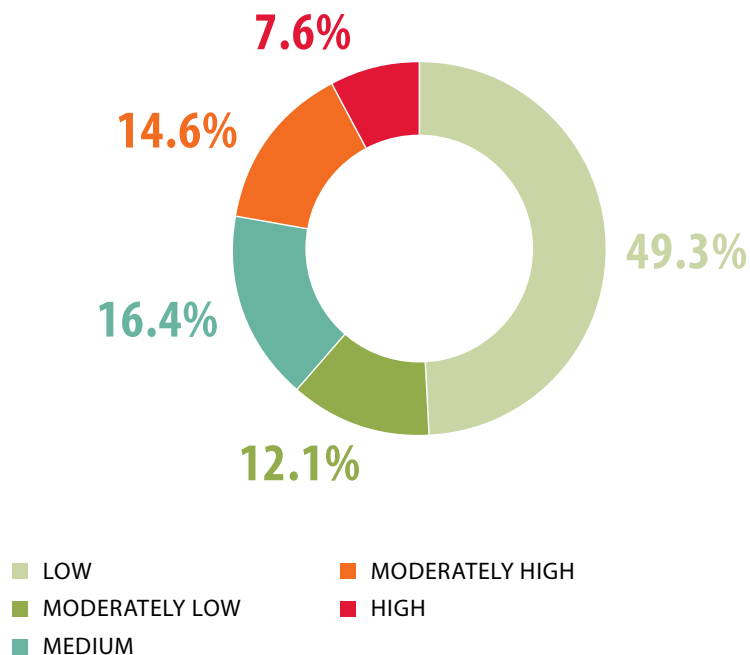
Sectors with Moderately High Transition Risk	Share (%)
Iron and Steel (EAF)	6.3%
Dyeing/Washing, Yarn/ Twisting /Weaving	5.0%
Basic Chemicals	1.0%
Paper and Cardboard Production	0.8%
Fertilizer	0.7%
Production of Other Metals	0.7%
Road Transport	0.1%
Total	14.6%

Sectors with High Transition Risk	Share (%)
Cement	2.9%
Non-Renewable Power Generation	1.9%
Petroleum Products, Petrochemicals	1.2%
Iron and Steel (BOF)	1.1%
Glass-Ceramics	0.5%
Total	7.6%
Transition Total	22.2%

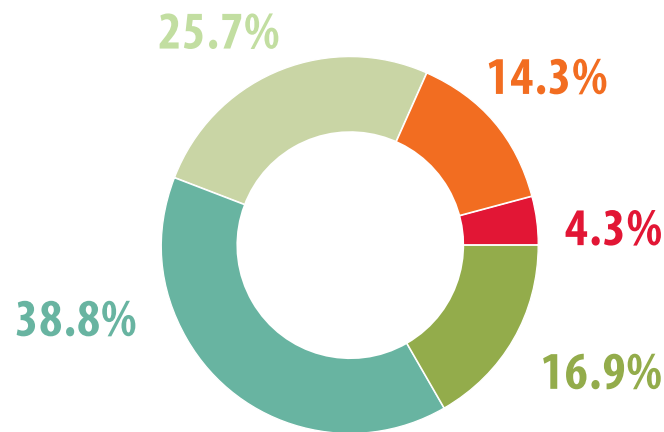
The fact that approximately 78% of the portfolio is exposed to low and medium levels of transition risk is considered a manageable risk level. The Bank closely monitors high-emission sectors indicated by the Heat Map's results and conducts periodic analyses.

Additionally, companies' exposure to transition risk and their risk-reduction actions are closely monitored, and we work with them both in financing potential emissions-reducing investments and in providing advisory services. The ratio of climate- and environment-related loans provided to firms assessed as high or moderately high risk is monitored monthly as an indicator of how risks in this area are managed. By the end of 2025, the power generation sector holds the largest share in TSKB's loan portfolio at 30%, while 94% of the energy portfolio consists of renewable energy projects. An examination of TSKB's loan portfolio shows that the energy sector has maintained its weight over the years.

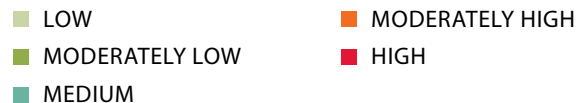
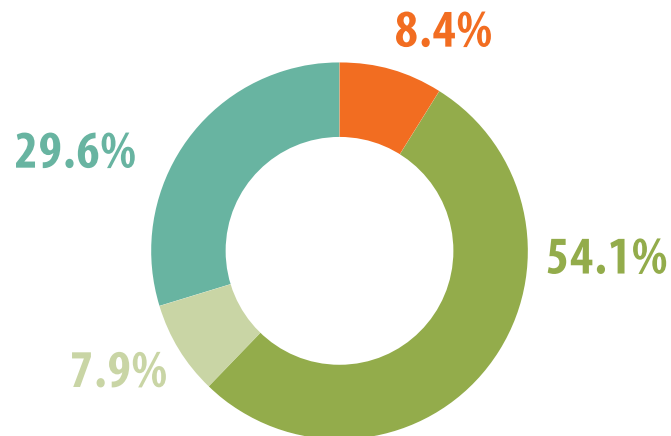
PORTFOLIO TRANSITION RISK DISTRIBUTION



PORTFOLIO CHRONIC PHYSICAL RISK DISTRIBUTION



PORTFOLIO ACUTE PHYSICAL RISK DISTRIBUTION



Physical Risk Heat Map

By the end of 2025, 17.8% of TSKB's total loan portfolio consists of sectors exposed to moderately high physical climate risk, and 4.3% consists of sectors exposed to high physical climate risk.

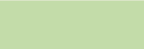
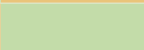
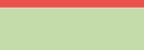
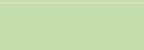
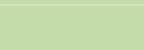
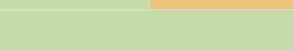
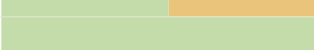
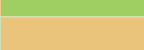
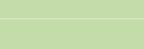
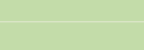
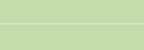
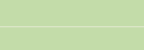
Since approximately 78% of the portfolio falls into the low and medium physical climate risk categories, the overall physical risks in the portfolio are considered to be at a manageable level.

In the context of physical climate risks, an analysis of the portfolio's CRET results has determined that the vulnerability in the operations and investments of companies posing high and moderately high risk is linked to water stress. When examining the effects of physical climate risks to which Türkiye is exposed on water resources, impacts are expected, particularly in the agricultural sector and in the water-intensive energy and industrial sectors. Some industrial sectors, such as power generation from fossil fuels, hydroelectric power generation, textiles, food and beverage, and iron and steel, are considered to have high physical risks due to the critical importance of water. In these sectors, there is a significant sensitivity to extreme climate events.

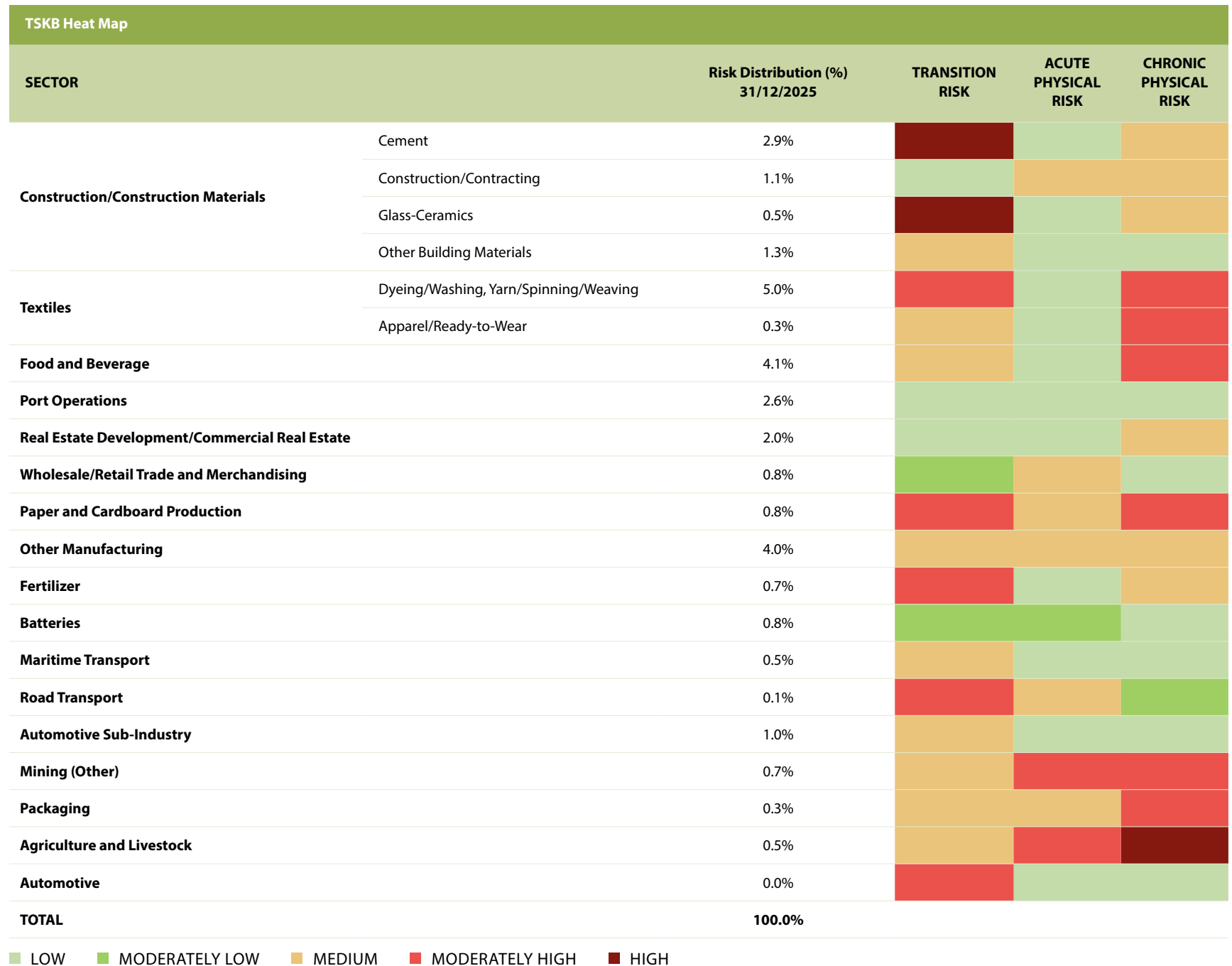
Through geographical concentration analyses for physical climate risks, the impact of high and moderately high-risk companies and investments on the portfolio is monitored holistically. The Bank periodically reviews the adaptation measures taken by companies in sectors with high physical climate risk and encourages them to take action. These risks are used in credit decision-making processes, and importance is given to collateral and insurance obtained for risk mitigation.

Sectors with Moderately High Physical Risk	Share (%)
Textiles	5.4%
Food and Beverage	4.1%
Electricity Distribution	3.5%
Non-Renewable	1.9%
Iron - Steel (BOF)	1.1%
Paper and Cardboard Production	0.8%
Mining (Other)	0.7%
Packaging	0.3%
Total	17.8%

Sectors with High Physical Risk	Share (%)
HPP	3.8%
Agriculture and Livestock	0.5%
Total	4.3%

TSKB Heat Map					
SECTOR		Risk Distribution (%) 31/12/2025	TRANSITION RISK	ACUTE PHYSICAL RISK	CHRONIC PHYSICAL RISK
Power Generation	WPP	13.2%			
	GPP	4.4%			
	SPP	5.4%			
	HPP	3.8%			
	BPP	1.9%			
	Non-Renewable	1.9%			
Financial Institutions		7.0%			
Metals and Machinery	Iron & Steel (EAF)	6.3%			
	Iron & Steel (BOF)	1.1%			
	Other Metal Production	0.7%			
	Aluminum (Secondary)	0.4%			
	Machinery/Other Metals	0.0%			
Other Services / Holding Companies		4.4%			
Electricity Distribution		3.5%			
Natural Gas Distribution		1.8%			
Tourism		4.5%			
Chemicals	Petroleum Products, Petrochemicals	1.2%			
	Basic Chemicals	1.0%			
	Other Chemical Products	3.2%			
Healthcare		4.0%			

 LOW
  MODERATELY LOW
  MEDIUM
  MODERATELY HIGH
  HIGH



Portfolio Temperature Score Analysis

TSKB monitors on a monthly basis its SBTi-approved target for long-term corporate loans covering emissions-intensive industrial sectors such as iron and steel, cement, aluminium, and fertilizers, as well as other corporate loans in the industrial sector, which account for approximately 30% of its loan portfolio, and discloses its performance on an annual basis. In this context, clients' absolute emission data and emission reduction plans are closely monitored to efficiently manage the impact of portfolio changes on the Bank's targets. The effects of companies discussed in Credit Committee meetings on the portfolio's temperature score are evaluated at both the company and portfolio levels. Thus, during the lending decision-making stage, any potential impact exceeding the Bank's targets is also taken into consideration. Projection studies conducted during the year analyze how the relevant target performance will evolve in the coming years, and clients with investment opportunities are identified. Details on the year-end 2025 temperature score analyses can be found in the Greenhouse Gas Emission Management section under the heading Other Long-Term Corporate Loans on page 127.

SDG Analysis

TSKB tracks the impact of its loans by mapping them to the SDGs through the SDG Mapping Model it developed in 2020. With the SDG Mapping Model, the climate- and environment-focused impacts of financed projects are quantified, and long-term targets are set.

The climate- and environment-focused SDGs addressed by TSKB through its financed projects are:

- No Poverty
- Zero Hunger
- Clean Water and Sanitation
- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation, and Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life on Land

SCENARIO ANALYSES

The risk and opportunity inventory created in 2024 for managing climate risks and opportunities was re-evaluated through the annual review conducted in 2025. As a result of the review, no new risk or opportunity items were added to the inventory; the validity of existing items and their related action and control processes was maintained.

According to the inventory, no risk with a material climate-related impact was identified in the short term. In the medium and long term, risks arising from direct operations and from climate-related physical impacts to which customers, suppliers, and service providers in the value chain may be exposed were assessed as having low materiality. On the opportunities side, a low materiality assessment was also made for opportunities related to direct operational activities. It was observed that short-, medium-, and long-term opportunities are fundamentally related to new collaborations in the ecosystem that stem from risks and/or are likely to emerge.

Within the inventory, risks and opportunities with a material financial or strategic impact on the Bank's performance were identified. The Bank's environmental, social, and climate-related risk evaluation tools—ERET, CRET, and the Heat Map methodologies—were used in the materiality analysis.

As a result of the 2025 assessments, the primary transition and physical risks that will significantly affect the loan portfolio were identified as carbon pricing mechanisms, such as the Carbon Border Adjustment Mechanism (CBAM) and the National Emissions Trading System (ETS), and water stress.

Supporting clients' green transitions and financing climate change mitigation and adaptation investments are among TSKB's strategic focus areas, and these areas of risk are also considered opportunities.

Portfolio Transition Risks and Opportunities

The European Union (EU), with which Türkiye has close economic ties, aims to be climate-neutral by 2050. In line with this goal, the EU, which aims to implement stricter emission reduction policies, plans to steer its trading partners toward greener production practices through the CBAM.

The EU ETS and CBAM aim to minimize carbon emissions, protect the EU's competitiveness, and prevent carbon leakage. The CBAM Regulation, published in May 2023, covers the iron and steel, cement, aluminum, fertilizer, electricity, and hydrogen sectors. The transitional period for CBAM began on October 1, 2023, during which importers are only expected to report emissions. Financial obligations will begin as of 2026, and importers will be required to pay a certificate fee for each ton of emissions exceeding the threshold set in the regulation. The year-over-year reduction in permitted emissions means that companies may face higher financial obligations.

In addition to the EU CBAM, which has entered its final phase, the draft Regulation published by the Directorate of Climate Change on July 22, 2025, regarding the Turkish Emissions Trading System (ETS)—mandated for establishment by the Climate Law No. 7552 dated July 2, 2025—was also included in the scope of the scenario analysis during the reporting period.

According to the draft regulation, although allowances will be distributed 100% free of charge during the pilot period of 2026–2027, starting with the first implementation period in 2028, companies will be required to purchase allowances to cover the greenhouse gas emissions for which they are responsible. This obligation will create additional costs for companies covered by the ETS, on top of the CBAM.

If companies in TSKB's loan portfolio do not incorporate the obligations arising from the CBAM and the National ETS into their business plans and strategies and fail to manage the risk effectively, this risk could first be reflected in the companies' financial performance, thereby increasing the severity of the impact on the Bank. In this case, the Bank may increase its provision rates as part of its effective and prudent risk management. If companies take no action to eliminate the risk arising from this situation, which would affect profitability and asset quality, the Bank's credit risk costs may increase, and its capital may be adversely affected.

According to 2025 data, the sectors in the Bank's portfolio covered by the CBAM are cement, iron and steel, aluminum, and fertilizer, which have an 11% share in the portfolio. In the scenario analysis study, clients in the relevant sectors were classified according to the products they manufacture. Based on emission limit values and the IEA Announced Pledges Scenario, financial obligations that will arise by 2034 were taken into account, and projections were made. Taking into account companies' credit ratings and the temperature scores affected by their emission-reduction targets, the potential impacts of CBAM and the National ETS on companies' balance sheets were examined, and the impact on the Bank was calculated. Details on the financial impact outputs of the scenario analysis can be found in the TSRS-aligned Sustainability Report on page 194.

Given that the obligations under the CBAM and the National ETS will affect companies to varying degrees depending on their financial positions, clients in TSKB's portfolio with strong financial capacity and sound climate-change strategies are expected to remain resilient to these obligations by investing to reduce and manage the costs of embedded emissions.

The financing needs arising in companies from increased awareness and the action plans established accordingly increase the Bank's capacity to respond to risks in this scope while also creating opportunities. Loans provided in this context will increase clients' capacity to comply with the CBAM and the National ETS, thereby reducing the severity of the risk's impact on company balance sheets. This situation is expected to have a downward effect on the non-performing loans ratio and the net cost of credit risk, positively impacting the Bank's capital and profitability. Through its dynamic business model aligned with national policies, TSKB anticipates that expected developments on the public side will rapidly increase opportunities in this area in the coming period. Developments such as the National Green Taxonomy Regulation and regulations for establishing the Emissions Trading System, which are expected to come into force following the Climate Law, will accelerate TSKB's ability to effectively evaluate collaboration opportunities with both existing portfolio companies and potential clients.

TSKB provides loans themed around climate risk mitigation and adaptation, such as energy and resource efficiency and the circular economy, to meet the financing needs of companies. The transition finance dimension, implemented for the first time in Türkiye, was included in the Bank's Sustainable Finance Framework, which was updated in August 2024. As of year-end 2025, 57% of the loans granted to CBAM sectors are compliant with the aforementioned themes. More than 80% of the funds secured from Development Finance Institutions are climate and environment related, and the increasing demand and, in light of the funders' strategic focus, increasing demand and evolving client needs, have influenced the target of providing USD 5 billion in climate finance from the beginning of 2024 to the end of 2030. With the loans provided in line with this target, TSKB's asset quality will be strengthened, and its net income and capital will be positively affected.

As of year-end 2025, the ratio of climate and environment-focused SDG-linked loans in its portfolio was 59.2%, and the Bank aims to increase this ratio to 60% or higher by 2030. In this regard, the Bank may revise its targets, as it has in the past, and create new targets for changing and developing focus areas. Developments in the ecosystem are a significant opportunity for the Bank, as well as its subsidiaries Escarus and TSKB Gayrimenkul Değerleme, which offer sustainability advisory and green building valuation services, to expand their sphere of influence.

Portfolio Physical Risks and Opportunities

Water stress is considered one of the significant climate risks for Türkiye. Scenario studies for the 2021–2040 and 2041–2060 periods, based on the RCP 4.5 and RCP 8.5 scenarios, show that Türkiye faces a high risk of water stress. Furthermore, water scarcity is expected to become significantly more widespread in Türkiye by the 2030s. In light of these developments, it is anticipated that water stress will begin to show its effects on the companies in the Bank's portfolio in the medium term.

30% of the Bank's portfolio consists of sectors that are operationally dependent on water, such as power generation, chemicals and plastics, metals and machinery, construction and building materials, food and beverage, paper and forest products, textiles, leather, and tourism. When difficulties in accessing water arise in these sectors, customers' production may be disrupted, or some companies may be unable to continue operating and may have to halt operations. Clients unable to sustain their operations may face difficulties in loan repayments. This situation could cause the Bank's nonperforming loan ratio and provisioning rates—and, consequently, the cost of credit risk—to increase, adversely affecting profitability and capital adequacy.

In the scenario analysis study conducted for 2025, water-dependent clients in TSKB's portfolio were classified by sector, and potential production decline rates due to water needs were determined. Assumptions regarding potential production declines were made by taking into account the outputs of the RCP 8.5 scenario, companies' credit ratings, their roadmaps to address water stress, and the adaptation investments they have made or planned. As indicated by RCP 8.5, water stress is expected to affect the financial performance of the Bank's portfolio in the medium term, with these effects anticipated to become particularly pronounced in 2030.

Companies are affected by water stress at different levels depending on their financial situation and the adaptation measures they have taken. Through the environmental, social, and climate-related risk evaluation tools integrated into TSKB's credit processes, the location of clients' operations, their sector, and their production processes are analyzed in depth to determine their level of water dependency and the resulting risks. Through its Circular Economy Self-Assessment Tool, developed as part of a loan agreement provided in 2022, the Bank evaluates its customers' circular business models and supports their development with action plans identified based on gap analyses. Reducing water withdrawals from sources, using water resources in a circular manner, and developing a strategy in this context are among the tool's action plans. In this context, technical support is provided to clients who wish to enhance their adaptive capacity

and transform their business processes, both through the Bank's in-house advisory services and through its subsidiary, Escarus, which also provides water management consulting services. In addition, AdapTool, developed under the Bank's climate adaptation-themed financing agreement in 2025, analyzes the level of exposure of companies' facilities at specific locations to physical climate risks, including water stress; the operational and financial impacts of these risks; and the facilities' current adaptation capacity. The assessment results present concrete and applicable roadmaps for companies by identifying priority investment areas and applicable adaptation measures for each risk category. While the development of circular water use and strategic water management approaches is among the priority items of these plans, applicable cross-sector measures such as rainwater harvesting, graywater recycling, treatment and reuse of process wastewater, and optimization of water consumption through automatic control systems are encouraged; additionally, detailed technical measures and sector- and facility-specific investment needs are also analyzed. TSKB's target of providing USD 5 billion in climate finance from the beginning of 2024 to the end of 2030 also covers the theme of adaptation, which is among the Bank's main focus areas in the coming periods.

Loans disbursed under the adaptation theme, which is among the Bank's main focus areas going forward, will increase companies' capacity to adapt to water stress and reduce operational risks stemming from potential disruptions reflected in their balance sheets. This will positively affect the Bank's provision ratios, the credit quality of its loans under follow-up, and, consequently, its cost of credit risk and return on equity. It will also support environmental sustainability by contributing to a more efficient use of water resources.

In line with Türkiye's 2053 Long-Term Climate Strategy, the Water Efficiency Regulation, published in the Official Gazette in December 2024, is expected to lead to increased investments in the adoption of techniques and technologies that improve water efficiency in the coming period.

As of year-end 2025, with a 59.2% ratio of climate and environment-focused SDG-linked loans in its portfolio and a target to increase this to 60% or higher by 2030, TSKB will continue to provide financing support for projects that increase water efficiency and will prioritize solutions that promote sustainable water management in industrial sectors. While supporting the industrial sector's compliance with the Water Efficiency Regulation, long-term value will be created by offering awareness-raising activities, technical guidance, sustainable finance instruments, and advisory services to increase the resilience of clients operating in sectors facing water stress.

GREENHOUSE GAS EMISSIONS MANAGEMENT

TSKB has been measuring its carbon footprint since 2006 and has been supplying the electricity for its operations from renewable energy sources since 2009. To ensure the reliability of its efforts, the Bank has been conducting its work in accordance with the ISO 14064-1 Greenhouse Gas Accounting and Verification Standard since 2012, and it offsets all its direct and indirect emissions, excluding financed emissions, by purchasing carbon credits. In 2024, in addition to the ISO 14064-1 standard, the Bank conducted its calculations in accordance with the GHG Protocol's reporting standards and had them verified under the TSRS. During the reporting period, the Bank, expanded its consolidated emissions to include the indirect emissions of its subsidiaries, in addition to the previous year.

In 2021, the Bank reviewed its portfolio and began calculating its indirect emissions to include those from projects financed in carbon-intensive sectors such as thermal power plants, iron and steel, cement, and aluminum.

In 2024, the calculation efforts covered 35.4% of the loan portfolio and 91% of the carbon-intensive sectors within the portfolio. In the reporting period, the Bank calculated emissions from 50.3% of its loan portfolio and 94% of

the carbon-intensive sectors within the portfolio, expanding the scope of its financed emission calculations by also including emissions from corporate bonds, its own funds, and affiliates. Emissions from carbon-intensive sectors in the loan portfolio constitute 88% of the Bank's total calculated financed emissions.

In the calculations, Partnership for Carbon Accounting Financials (PCAF) methodology recommended by SBTi was used. Primary emissions and consumption data collected from customers were used as the data source. The Bank prioritizes the use of primary-quality data in its financed emissions calculations for tracking target achievement. Therefore, emissions from investments for which quality data could not be accessed were excluded from the scope.

The portfolio's data quality was assessed according to the PCAF methodology's data quality scoring system. According to the scoring system, 89% of the data obtained is verified and of the highest quality, while 10% is of the second-highest quality, representing declared emission values without any verification. The Bank aims to broaden the scope of portfolio emissions calculations and to improve data quality; work in this regard is ongoing.

TSKB Greenhouse Gas Emissions (Solo)*						
Scopes	Emission Sources	2021 (Base Year)	2022	2023	2024	2025 
Scope 1 Direct GHG Emissions	Stationary Combustion, Mobile Combustion, Fugitive Emissions	449	411	343	422	402
Scope 2 Indirect Greenhouse Gas Emissions	Electricity - Market-Based	0	0	0	0	0
	Electricity - Location-Based	494	624	531	515	482
	Purchased Goods and Services	139	225	389	550	663
Scope 3 Other Indirect Emissions**	Capital Goods	34	96	145	154	157
	Business Travel	47	115	163	260	394
	Employee Commuting	130	80	91	108	112
	Investments	2,748,096	2,632,903	2,089,349	1,266,435	1,815,924
TOTAL MT CO ₂ e***		2,748,895	2,633,830	2,090,481	1,267,930	1,817,653

*TSKB's solo emissions were verified in accordance with ISO 14064-1 and ISO 14064-3 criteria. The uncertainty for Scope 1 was calculated as 2.50%, and for Scope 3 it was 8.60%. The assurance level is reasonable for Scope 1 and limited for Scope 3. In addition to ISO standards, the Bank's emissions were reported and verified in accordance with the GHG Protocol under the TSRS. The activity data used to calculate emissions from the Bank's operational activities are based on primary data, while the emission factors are based on international emission factor databases such as IPCC, Defra, and ADEME. The Türkiye-wide Electricity Generation Emission Factor published by the Ministry of Energy and Natural Resources was used to calculate Scope 2 location-based emissions.

**TSKB Scope 3 emissions include employee shuttle services and remote work, business travel, purchased goods and services, capital goods, and investments. Transportation of purchased stationery and office supplies, employee commutes by ferry, purchased paper and plastics, desktop computers, phones and tablets, disposal of domestic waste, and courier services were excluded from the scope as they fell below the materiality level according to the prioritization analysis. In the 2025 reporting year, total Scope 3 emissions are 1,817,251 tCO₂e. Total indirect emissions, excluding financed emissions, are 1,327 tCO₂e. In 2025, the ratio of loan portfolio companies included in the calculation scope to the total portfolio increased from 35% to 50% compared to 2024. In addition to the loan portfolio, emissions from private sector bonds, funds that are 100% owned by the bank, and affiliates are also included in the scope of the calculation.

***The majority of TSKB's emissions are attributed to financed emissions. Total emissions, excluding financed emissions, are 1,729 tCO₂e. Total greenhouse gas emissions, excluding financed emissions, will be offset by purchasing carbon credits during the year.

Loans*					
Financed Emissions (with PCAF Methodology,Scope 1&2 - tCO ₂ e)				Emission Intensity (tCO ₂ e/USD million)	
Corporate Loans					
Sector**	Share in the 2025 Loan Portfolio	2024	2025	2024	2025
Cement	2.34%	199,822.52	756,741.63	6,783.52	5,849.19
Iron and Steel	7.35%	182,482.18	353,208.40	527.29	868.85
Power Generation	0.54%	341,757.83	74,205.47	6,439.79	2,491.86
Coal***	0.54%	341,757.83	74,205.47	6,439.79	2,491.86
Fertilizer	0.00%	-	-	-	-
Aluminum	0.37%	1,809.14	1,342.50	90.39	65.70
Commercial and Residential Real Estate	0.09%	35.47	785.65	37.28	11.91
Transportation	0.00%	-	-	-	-
Oil and Gas	0.00%	-	-	-	-
Agriculture	0.00%	-	-	-	-
Chemicals and Plastics	4.51%	27,766.25	73,406.08	204.06	294.13
Textiles and Leather	3.55%	4,041.87	20,899.53	62.03	106.46
Mining	0.20%	-	17,441.03	278.76	1,581.93
Construction and Building Materials	1.32%	342.53	15,295.82	30.82	209.94
Food and Beverage	2.27%	7,406.26	10,746.18	106.13	85.52
Paper and Forest Products	1.45%	9,452.71	7,914.10	121.26	98.63
Metal and Machinery	0.52%	-	6,954.00	-	240.83
Fuel and Energy Distribution	0.92%	-	3,055.55	-	60.08
Tourism	0.69%	1,376.12	2,642.96	37.25	69.05
Logistics	1.56%	3,037.79	2,547.28	33.92	29.56
Packaging	0.15%	335.40	1,083.08	105.98	131.48
Healthcare	1.53%	-	87.64	-	4.71
Automotive and Sub-Industry	0.61%	867.97	741.57	80.40	22.00
Electromechanical	0.44%	219.70	429.07	16.86	17.47
Finance	4.61%	74.35	77.22	1.24	0.30
Holding	0.00%	294.71	-	29.07	-

* Emissions from undrawn loan commitments were not included in the calculations for the reporting period. During the reporting period, total equity and debt values were used in the emissions calculations for publicly listed companies.

**Sector breakdowns, primarily for carbon-intensive sectors, are monitored in emissions reporting with more detailed subcategories than the sectoral distributions of the Bank's loan portfolio presented in the Bank's financial results presentations.

***TSKB's portfolio companies operating in the coal sector are coal-fired thermal power plants that generate electricity. The relevant data are provided in both the power generation sector category and the coal category.

Loans*					
Financed Emissions (per PCAF Methodology,Scope 1&2 - tCO ₂ e)				Emission Intensity (tCO ₂ e/USD million)	
Project Finance					
Sector**	Share in the 2025 Loan Portfolio	2024	2025	2024	2025
Power Generation	1.36%	184,020.20	219,690.48	3,290.34	2,928.31
Coal***	1.00%	178,719.77	194,279.55	3,377.54	3,520.94
Cement	0.46%	180,211.44	111,974.02	6,203.19	4,431.61
Fertilizer	0.68%	47,329.86	75,569.65	1,156.03	1,997.42
Real Estate	1.83%	3,523.95	1,306.82	74.24	12.93
Aluminum	0.01%	-	156.95	-	232.39
Transportation	0.02%	16.78	12.26	9.32	9.03
Oil and Gas	0.00%	-	-	-	-
Agriculture	0.00%	-	-	-	-
Electromechanical	0.73%	35,521.95	23,290.11	979.12	580.00
Fuel and Energy Distribution	1.73%	6,309.46	9,589.47	144.22	100.16
Textiles and Leather	0.63%	-	7,183.62	-	206.33
Healthcare	1.77%	12,144.04	6,294.98	214.07	64.46
Logistics	3.91%	4,411.58	3,033.74	33.93	14.04
Chemicals and Plastics	0.09%	4,548.92	2,460.78	605.22	491.04
Mining	0.25%	4,627.89	922.61	278.76	65.67
Tourism	1.81%	577.94	422.20	6.50	4.23
Holding	0.09%	2,068.12	154.38	49.70	30.46

* Emissions from undrawn loan commitments were not included in the calculations for the reporting period. For the reporting period, total equity and debt values were used in the emission calculations for publicly traded companies.

**For more effective emissions management, particularly in carbon-intensive sectors, the sector breakdowns used for emissions reporting are monitored in more detail, using sub-breakdowns, than the sectoral distributions of the loan portfolio presented in the Bank's financial results presentations.

***Within the Bank's portfolio, companies operating in the coal sector are thermal power plants that generate electricity from coal. The relevant data is presented both in the power generation sector and separately in the coal category.

Other Financial Assets*				
Financed Emissions (per PCAF Methodology, tCO ₂ e)			Emissions Intensity (tCO ₂ e/million USD)	
Asset Class	2024	2025	2024	2025
Private Sector Bonds	-	3,853.57	-	403.47
Funds**	-	252.19	-	10.69
Affiliates	-	151.37	-	25.68

*The Bank has included all private sector bonds in which it has invested, all companies in the Türkiye Green Fund, and all affiliates included in the consolidated financial report in its calculations.

**Türkiye Green Fund

TSKB tracks its greenhouse gas inventory boundaries within two different frameworks.

Since 2008, Scope 1, 2, and 3 emissions have been measured to include the Istanbul Headquarters Building, where operational activities are carried out. The Ankara Development Hub, which became operational in June 2023, was included in the greenhouse gas inventory for the first time in 2024 after completing one full year of activity.

As of 2024, to assess the impact of climate-related risks on consolidated financial performance, the greenhouse gas inventory boundaries were expanded to include the Scope 1 and 2 emissions of subsidiaries. In the reporting period, in addition to the previous year, the indirect emissions of subsidiaries were also included in the consolidated emissions calculations.

Since 2021, the operational control approach has been used for calculations, as it is the consolidation approach that allows for the most accurate management of emissions and the most effective implementation of emission reduction strategies. TSKB continued to use the operational control approach in 2025.

The consolidated emissions calculations were verified in accordance with the GHG Protocol reporting standards both to meet TSRS requirements and to ensure the international validity of the work.

The table shows the emissions data for TSKB's consolidated and unconsolidated subsidiaries and affiliates.

Greenhouse Gas Emissions of TSKB, its Subsidiaries, and Affiliates								
	2024 Scope 1 (tCO ₂ e)	2025 Scope 1 (tCO ₂ e) 	2024 Scope 2 - Market- Based (tCO ₂ e)	2025 Scope 2 - Market- Based (tCO ₂ e) 	2024 Scope 2 - Location- Based (tCO ₂ e)	2025 Scope 2 - Location- Based (tCO ₂ e) 	2024 Scope 3 (tCO ₂ e)	2025 Scope 3 (tCO ₂ e) 
TSKB	422	402	0	0	515	482	1,267,508	1,817,251
Parent Company and Consolidated Subsidiaries	522	595	0	671	680	820	1,267,508	1,818,440
Unconsolidated Subsidiaries	106	120	16	3	16	3	-	129
Consolidated Emissions*	628	715	16	673	696	1,304	1,267,508	1,818,569
Affiliates**	-	470	-	137	-	185	-	-

*Calculated based on the operational control approach; Scope 1, 2, and 3 emissions of unconsolidated subsidiaries are also included in consolidated emissions.

**Emissions from affiliates are assessed under Scope 3, Category 15 (Investments).

TARGETS

In 2022, TSKB became a signatory to the UNEP FI Net-Zero Banking Alliance (NZBA) and set a target to achieve net-zero emissions by 2050. In line with this, TSKB established its Near-Term Science-Based Targets for Scope 1, 2, and 3 emissions reduction in accordance with SBTi guidelines. The Scope 3 targets, approved by the SBTi, also form the basis for the 2030 interim targets declared in line with NZBA guidelines.

In 2025, the NZBA discontinued its membership system, ending its commitments and mandatory obligations; however, it has continued to publish guidance documents, allowing for the voluntary implementation of its recommendations. Maintaining its determination to fulfill its net-zero commitment, TSKB will continue its efforts to align its portfolio with net-zero targets by following the NZBA recommendations.

Integrating its efforts to measure and reduce its impact on climate change into its business processes, the Bank calculates the emissions resulting from its lending activities.

Scope 1 and 2 emissions cover the Istanbul Headquarters Building and the Ankara Development Hub, where operational activities are carried out. As the Ankara Development Hub was not operational in the 2021 base year and completed its first full reporting year of activity in 2024, it was included within the greenhouse gas inventory boundaries in the corresponding 2024 reporting year.

TSKB's Scope 3 targets correspond to 53% of the Bank's total assets and cover 70% of its loan and investment portfolio. You can access the SBTi-approved targets [here](#).

The Bank's sectoral decarbonization targets, set according to SBTi guidelines and projected to be achieved by 2035, also form the basis for its 2030 interim targets.

The targets, developed under the leadership of the Board of Directors, were approved by the SBTi in 2023. At TSKB, the impact of allocated loans on targets is assessed on a per-project and per-company basis and reported to the Credit Committee. The topic, which is a separate agenda item in the Committee process, not only influences the credit decision but also facilitates an assessment of clients' decarbonization plans. In addition to the credit assessment processes, the performance of portfolio-level SBTi targets

is calculated monthly, and analyses are conducted based on projections to regularly evaluate the Bank's progress toward its SBTi and 2030 interim targets. The Bank also continuously improves the scope and quality of its analyses using data from its portfolio.

The cement, iron and steel, power generation, fertilizer, aluminum, real estate, and transportation sectors within TSKB's loan portfolio are classified as carbon-intensive sectors, and the emissions of clients operating in these sectors are closely monitored. The Bank, which has set sectoral decarbonization targets for the power generation and real estate sectors in its loan portfolio, manages the emissions and decarbonization roadmaps of other carbon-intensive sectors in its portfolio under its SBTi-approved long-term corporate loans target. TSKB annually evaluates the establishment of sectoral decarbonization targets for all carbon-intensive sectors in its loan portfolio, taking into account their materiality levels.

In line with SBTi's guidance documents, short-term loans and SMEs were excluded from the Scope 3 target scope.



METRICS AND TARGETS FOR DIRECT IMPACTS

SBTi Targets for Operational Activities	Scope	Scenario	Method	Metric	Base Year Performance	Base Year	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
To reduce Scope 1 GHG emissions by 63% from the 2021 baseline year to 2035	Scope 1	SBTi 1.5°C Scenario	Absolute Contraction Approach	tCO ₂ eq	449	2021	2035	422	402	17%
To source 100% of electricity from renewable energy sources by 2030	Scope 2	SBTi 1.5°C Scenario	Renewable Energy	%	100	2021	2030	100	100	100%

Scope 1 Absolute Reduction Target

As part of the net-zero roadmap and to reduce the impact of operational activities on climate change, the Scope 1 absolute emissions reduction target was set using the SBTi Target Setting Tool in line with SBTi scenarios for limiting global warming to 1.5°C.

TSKB commits to reducing its Scope 1 GHG emissions by 63% by 2035 from a 2021 base year. The action plan established to achieve this target consists of four steps.

As part of the action plan to reach the target, the investment to transition the Bank’s entire fire suppression system to the use of gases with low global warming potential was completed in 2024. The entire rental vehicle fleet was replaced with hybrid vehicles. The Bank is monitoring the developing electric vehicle market and developing future investment plans. In 2026, the cooling systems are planned to be modernized to use gases with low global warming potential.

TSKB will continue to measure Scope 1 emissions from its operational activities at the Istanbul Headquarters Building and the Ankara Development Hub, implement an action plan consistent with its targets, and transparently share its current status with stakeholders.



Next Period Plan

1- Modernization of the heating system: Integration of energy-efficient technologies



In progress

2- Modernization of the cooling system: Integration of energy-efficient technology



In progress

3- Company vehicle investment: Replacement of the fleet with hybrid and electric vehicles



Completed

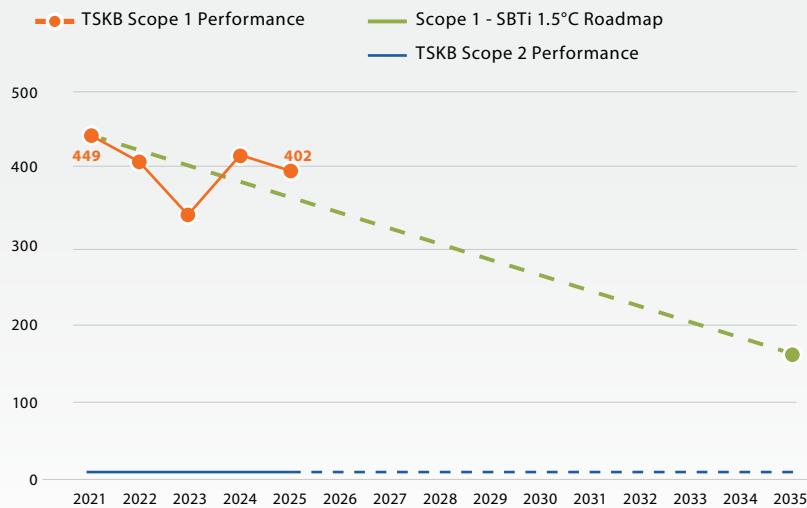
4- Modernization of the fire suppression system: Integration of gases with low global warming potential into the building

Scope 2 Renewable Energy Target

TSKB maintains its Scope 2 market-based emissions at zero by purchasing green electricity from I-REC certified power plants. In line with SBTi guidelines, the Bank aims to reduce the climate change impact of its purchased energy under its commitment to source 100% renewable energy from 2021 to 2030 for its Scope 2 emissions, and to continue this practice beyond 2030.

To manage its electricity consumption, the Bank tracks its Scope 2 emissions on both a market- and location-based basis and shares the results transparently with its stakeholders. In 2024 and 2025, location-based Scope 2 emissions changed due to cooling demand that varied with climatic conditions.

Scope 1 Absolute Emissions Reduction Target and Scope 2 Renewable Energy Target (tCO₂e)



Criteria and Targets within the Scope of TSKB's Lending and Investment Portfolio											
Scope/Asset Class	Base Year Portfolio Share	SBTi Targets	Interim Targets	Scenario	Method	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
Scope 3 / Electricity Generation Project Finance	27%	To reduce GHG emissions from the power generation project finance portfolio by 85.6% per kWh by 2035 compared with the 2021 base year	To reduce by 73.6% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach	tCO ₂ e/MWh	0.23	2035	0.25	0.25	-13%
Scope 3 / Power Generation Corporate Loans	3%	To reduce GHG emissions per kWh from the power generation sector within the corporate loan portfolio by 85.7% by 2035 compared with a 2021 base year	To reduce by 73.7% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach	tCO ₂ e/MWh	0.84	2035	0.64	0.34	69%
Scope 3 / Commercial and Residential Real Estate	2%	To reduce GHG emissions from the commercial real estate sector in the corporate loan portfolio by 71% per square meter by 2035 from a 2021 base year	To reduce by 53% by 2030	IEA ETP B2DS	Sectoral Decarbonization Approach	tCO ₂ eq/m²	0.21	2035	0.07	0.20	5%
Scope 3 / Long-Term Corporate Loans	30%	To reduce the Scope 1+2 temperature score of the other long-term corporate loans portfolio from 3.2°C in the 2021 base year to 2.74°C by 2027, and to reduce the Scope 1+2+3 portfolio temperature score from 3.2°C to 2.82°C	-	SBTi Well Below 2°C Scenario	Temperature Rating	°C	3.20	2027	2.77	2.77	93%
							3.20		3.07	3.02	47%
Scope 3 / Private Sector Bonds	0.3%	To reduce the private sector bonds portfolio's Scope 1+2 temperature rating from 2.57°C in the 2021 base year to 2.31°C by 2027, and its Scope 1+2+3 temperature rating from 2.86°C in the 2021 base year to 2.59°C by 2027	-	SBTi Well Below 2°C Scenario	Temperature Rating	°C	2.57	2027	2.80	2.58	-4%
							2.86		3.18	2.90	-15%
Phase-out Commitments											
Scope	Base Year Portfolio Share	Commitment	-	-	-	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Achievement Rate of the Target
Scope 3 / Coal Phase-out Commitment*	3%	We commit not to finance any new coal-fired power plants or coal mining investments for power generation and to completely phase out the sector by reducing our exposure to coal-related activities in our outstanding loan portfolio to zero by the end of 2035	-	-	-	%	3%	2035	2.4%	1.5%	50%

* Companies in TSKB's portfolio with activities directly related to coal are coal-fired power plants and fall within the Bank's target scope. The absolute emissions and production-based emissions intensity values attributable to these companies are disclosed to the public separately, both within the electricity generation portfolio and under the coal sector.

Power Generation Project Finance

The Bank's decarbonization target specific to the power generation sector was set in line with SBTi's 1.5°C scenario to limit global warming to 1.5°C above pre-industrial levels. The science-based target set by the Bank was approved by the SBTi in 2023 and formed the basis for the 2030 interim target.

Following the 2021 base year, an increase in emission intensity was observed due to the repayment of loans in the power generation project finance portfolio.

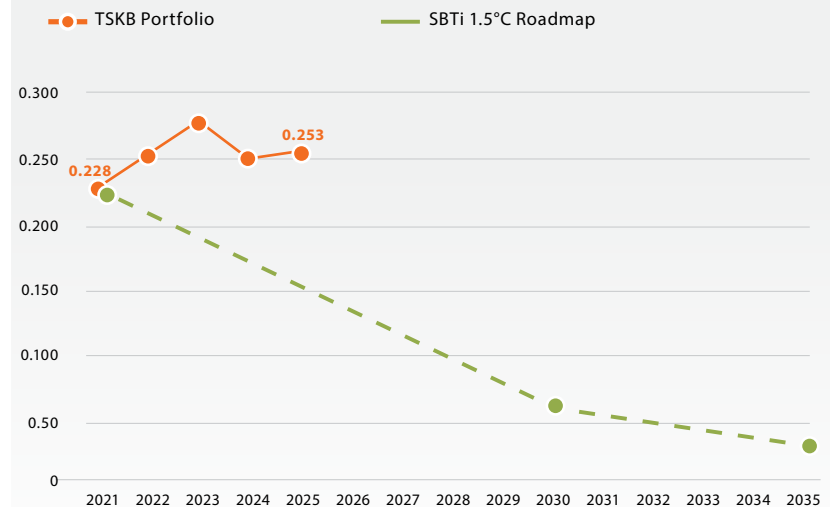
In 2025, TSKB also carried out lending activities for this asset class within the climate finance framework. As of year-end 2025, power generation is the largest sector in the Bank's loan portfolio, with a 30% share. Renewable energy projects constitute 94% of this portfolio.

In its relevant policy, TSKB has declared that it will not finance newly established coal-fired thermal power plants, capacity expansions, or coal mining investments, and will phase out coal financing by the end of 2035.

The Bank has structured its roadmap to achieve its targets of 73.6% for 2030 and 85.6% for 2035 in line with its approach of continuing to finance renewable energy.

Although the emission intensity of the project finance portfolio increased in 2025 compared to 2024 due to the repayment of loans in the renewable energy portfolio, TSKB will continue to focus on renewable energy and manage its portfolio in line with its net-zero targets, as it has in the past.

Electricity Generation Project Finance - Sectoral Decarbonization Approach (tCO₂e/MWh)

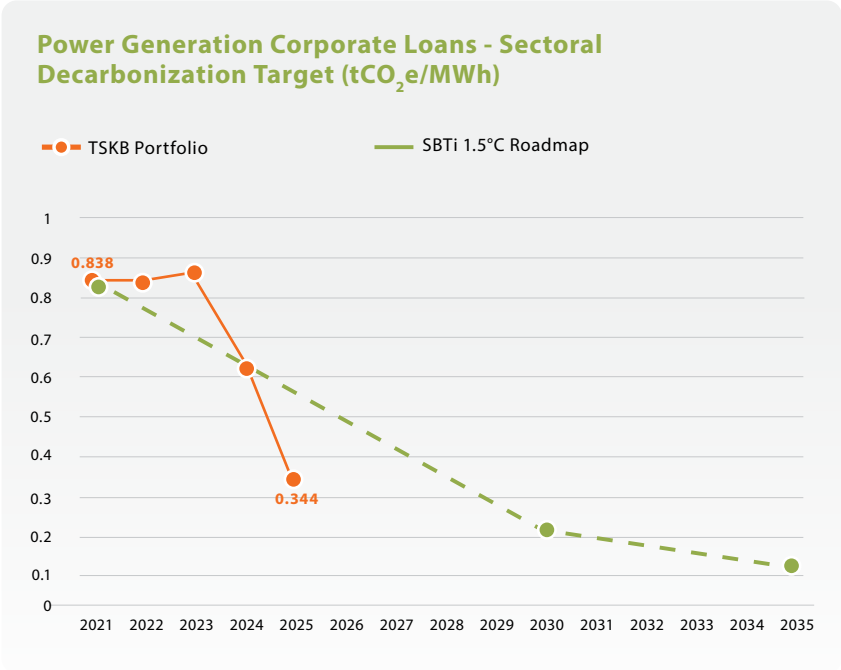


Power Generation Corporate Loans

To support the rehabilitation and/or environmental investments of power generation facilities and to promote the use of cleaner technologies in Türkiye’s electricity generation, TSKB has established its science-based target in line with the SBTi’s 1.5°C scenario for limiting climate change relative to the pre-industrial era. Within the scope of the target monitored by the performance of customers in the corporate loan portfolio that operate fossil-fuel-fired thermal power plants and renewable energy firms, a downward trend has emerged compared with 2024 due to TSKB’s climate policies and repayment schedules.

The science-based target set by the Bank was approved by the SBTi in 2023 and forms the basis for the 2030 interim target.

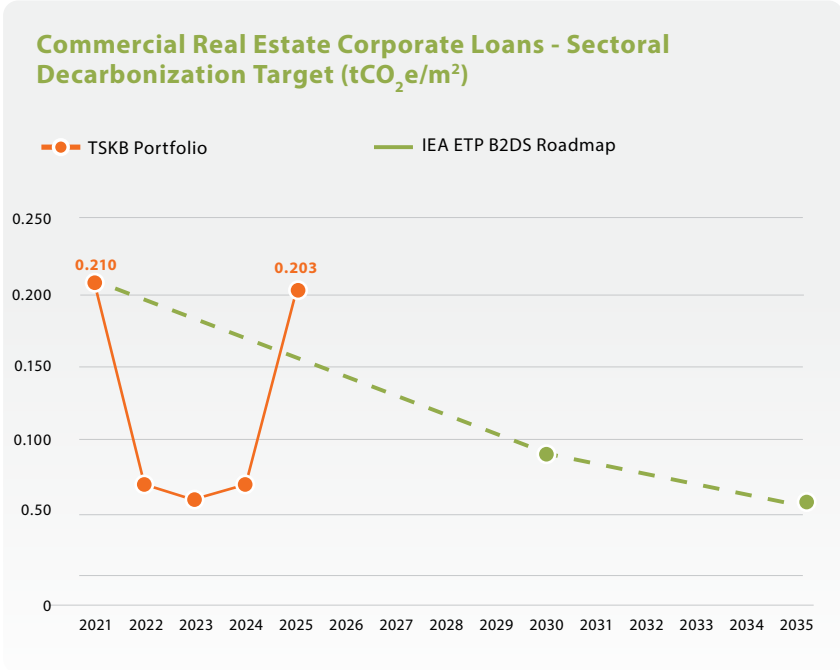
In addition to its green lending activities, and by supporting customers’ transitions to a low-carbon economy through Escarus, reduction targets of 73.7% by 2030 and 85.7% by 2035 were set relative to the 2021 base year.



Commercial Real Estate Corporate Loans

TSKB has set science-based targets aligned with the IEA ETP B2DS scenario to contribute to reducing indirect emissions from the energy used by commercial real estate properties in its corporate loan portfolio—such as office buildings, shopping malls, warehouse investments, and hospital investments—during both their construction and operational phases for needs like heating, cooling, and lighting. The target, approved by the SBTi in 2023, which projects a 71% reduction by 2035 relative to the 2021 base year, also forms the basis for the interim target of a 53% reduction by 2030.

Although new investments made in 2025 increased emissions intensity compared to 2024, the alignment of the companies in the real estate portfolio with the target scenario is being monitored. In the future, the Bank will continue to compose its real estate portfolio with energy-efficient or green building-certified structures, closely monitor its portfolio, and manage its emissions.



Other Long-Term Corporate Loans

TSKB monitors its SBTi-approved target for other long-term corporate loans on a monthly basis and discloses its performance annually. This target covers emission-intensive industrial sector companies such as iron and steel, cement, aluminum, and fertilizer, as well as other corporate loans in the industrial sector, affecting an average of 30% of the loan portfolio. In line with its development mission, the Bank supports the transition of its portfolio customers to a low-carbon economy through its activities, financing their green transition investments and investments aimed at reducing on-site energy consumption, such as solar power plants (SPPs) and energy- and resource-efficiency projects.

In 2025, the Bank continued to raise awareness among customers in its portfolio, encouraging greenhouse gas measurement and risk analysis studies. Through Escarus, it provided support to customers in creating decarbonization and green transition roadmaps.

With the contribution of its green investment strategies, TSKB maintained the Scope 1+2 temperature score of its long-term corporate loan portfolio at 2.77°C at year-end 2025, while reducing the Scope 1+2+3 temperature score to 3.02°C. TSKB closely monitors its portfolio by conducting monthly temperature score analyses. Projections are made for investments to be reviewed by the Bank's Credit Committee, and the impact of these investments on TSKB's temperature score is integrated into the lending decision-making processes. The matter is regularly reported to senior management during committee meetings.

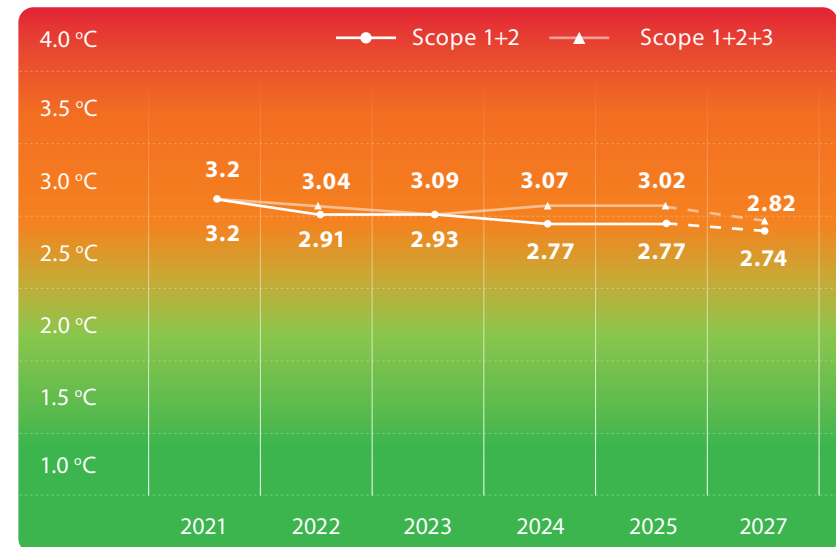
This approach allows for the management of the portfolio in line with its targets. TSKB will continue to closely monitor its portfolio through temperature score analyses in the upcoming periods.

Corporate Bonds

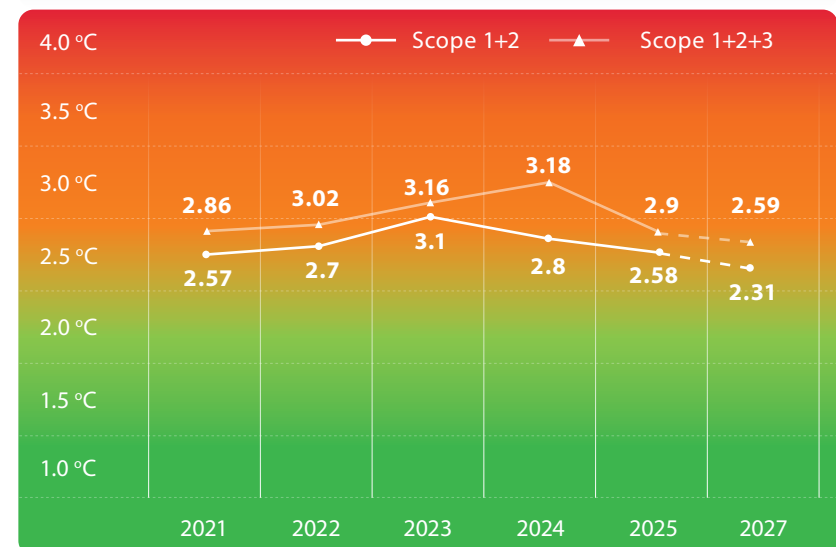
Private sector bond transactions are carried out by TSKB's Treasury Department with a focus on optimizing the balance sheet's assets and liabilities. Throughout the year, corporate bond purchases are made based on market conditions, with a focus on efficiency. Although current market conditions leave limited room for improvement, and temperature scores show an increase compared to the base year, it was observed that in 2025, the Scope 1+2 temperature score decreased to 2.58°C, and the Scope 1+2+3 temperature score decreased to 2.90°C.

In the upcoming period, TSKB will continue to direct its investments in line with the SBTi-approved science-based targets it has set as part of responsible investment principles.

Other Long-Term Corporate Loans Temperature Rating



Corporate Bonds Temperature Rating



ENVIRONMENTAL IMPACTS OF THE BANK'S OPERATIONS

TSKB manages the environmental impacts of its operational activities within the framework of its Sustainability Management System (SMS), referencing the ISO 14001 Environmental Management System Standard. The Bank's objective ensures the continuity of its ISO 14001 Certification, which it has held since 2007.

Within the scope of the SMS, resource consumption such as electricity, water, and natural gas is periodically monitored, and initiatives are implemented to meet reduction targets.

Variations in natural gas and electricity consumption due to climate change are carefully assessed.

The greenhouse gas emissions from the Bank's operations are calculated according to the ISO 14064-1: 2018 Greenhouse Gas Accounting and Verification Standard, and actions are taken to reduce these emissions.

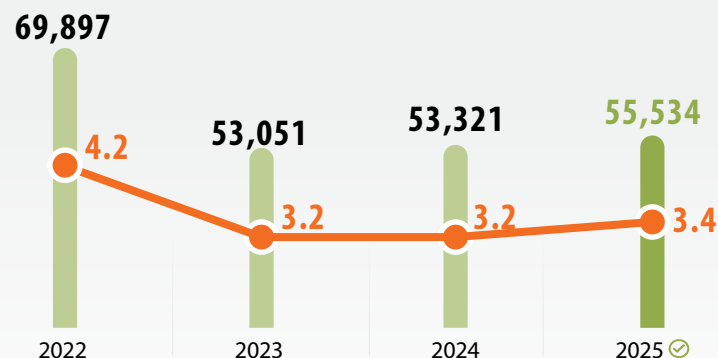
The waste management plan, implemented according to the integrated waste management hierarchy, aims for the environmentally responsible disposal of waste and its reintegration into the economy by maximizing recycling. Through its awareness-raising activities, the Bank aims to reduce the amount of waste per capita.

As part of its sustainable office practices, which are integral to waste management, TSKB separates organic waste using biodegradable waste bins placed in common areas, in addition to the battery, paper, metal, glass, plastic, and mask waste bins that are actively used on the path to zero waste. Porcelain and glass cups are used instead of single-use paper cups on the Bank's premises. In collaboration with Wastespresso, coffee grounds from the Headquarters buildings are upcycled using a micro-waste method. This minimizes carbon and methane emissions from coffee waste and supports the production of alternatives to plastic products that persist in the environment for long periods.

All new employees at the Bank receive SMS training, ensuring the internalization of the scope of sustainability.

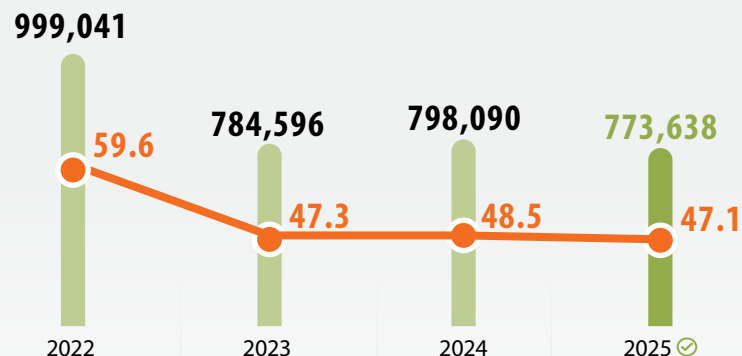
Natural Gas Consumption (m³)

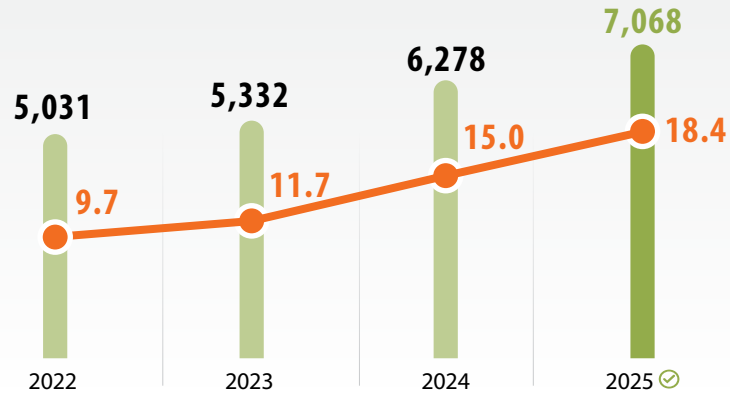
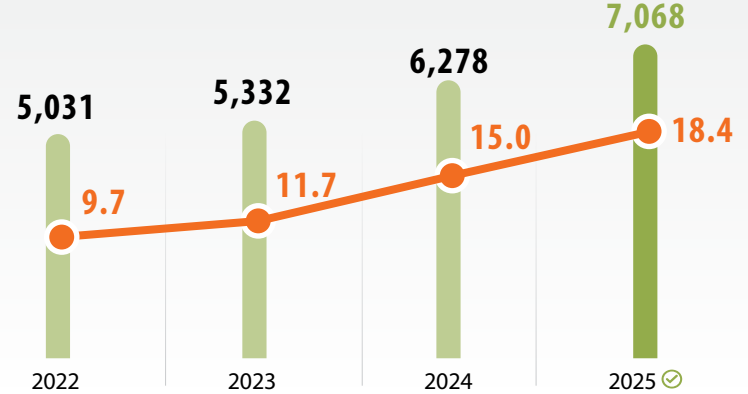
● Natural Gas Intensity, m³/m²



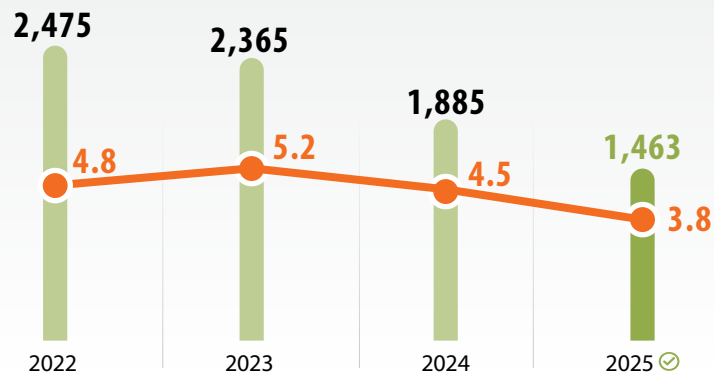
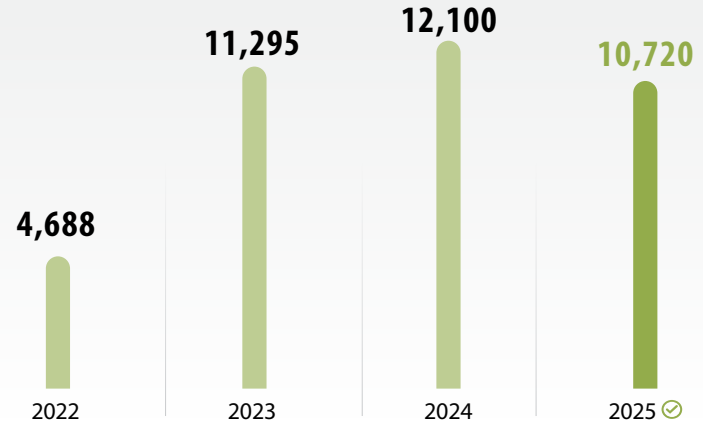
Electricity Consumption (kWh)

● Electricity Intensity, kWh/m²



Water Consumption (m³)*● Water Intensity, m³/person**Wastewater Discharge (m³)****● Wastewater Intensity, m³/person**Paper Consumption (kg)**

● Paper Consumption per Employee (kg/employee)

**Amount of Recycled Plastic and Paper (kg)**

*During the reporting period, the hottest summer since 2015 led to an increased need for water for garden irrigation and human consumption. Therefore, water consumption in 2025 increased compared to 2024. The air temperature around the Bank's Headquarters building is measured and recorded throughout the year by the building operations team using building thermometers. When water consumption figures for 2025 are examined on a monthly basis, an increase was observed particularly in June, July, August, and September.

**All water consumed on TSKB's premises is discharged as wastewater into the municipal sewer system.

SOCIAL CAPITAL

Target

Performance

Open 11 libraries in 11 provinces affected by the earthquake by 2025 as part of the Republic's 100 th anniversary projects	By opening of three libraries in 2025 under the project, the "11 Libraries in 11 Provinces" initiative has been completed.
Add approximately 500 new resources to the TSKB Library in 2025	A total of 670 resources have been added to the TSKB Library.
Organize a Sustainability Workshop to enhance students' sustainability literacy	In its 13 th year, the TSKB Sustainability Workshop was attended by students across nine universities.
Organize engaging and educational activities to raise awareness on economics and sustainability among children aged 4–6 and 7–10 within the scope of the TSKB Children's Festival organized for the children of our employees	The 3 rd TSKB Children's Festival was held in January.
Establish four new kindergarten classrooms or renovate existing ones by year-end 2025	Through the TSKB 75 th Anniversary Kindergarten Project, launched in celebration of the Bank's 75 th anniversary, seven kindergarten classrooms has been established.
Implement value-driven projects aligned with our sustainable development mission in celebration of TSKB's 75 th anniversary	The following projects were implemented as part of TSKB's 75 th anniversary: the 75 th Anniversary Commemorative Forest, 75 Years of TSKB Impact from a Stakeholder Perspective, the Interview Series, the 75 th Anniversary Contemporary Art Competition, and the TSKB 75 th Anniversary Composition
Integrate a gender equality perspective into the Bank's credit assessment processes by year-end 2025 to raise awareness in the real sector, and conduct studies on the evaluation of analytical outputs and impact measurement	A gender equality perspective is also considered within environmental and social risk assessments in the Bank's lending activities.
Extend loans to companies using the Social Performance Measurement Tool and enhance their capacity	As part of the pilot implementation, the applicability of the tool was tested under different scenarios with two clients in the pharmaceutical and port sectors in 2025.
Develop the TSKB Inclusive Language Guide	The TSKB Guide to Inclusive Language, developed in collaboration with Kadir Has University, aims to raise awareness on reflecting diversity—including gender, disability, age, seniority, religion, sexual orientation and gender identity—in an inclusive manner in both language and business processes.
Evaluate and advance the implementation of an ethics hotline and a whistleblowing mechanism for internal and external stakeholders to enhance transparency and strengthen trust	An Ethics Hotline reporting channel has been established to enable internal and external stakeholders to safely and easily report behaviors and situations that are inconsistent with the Bank's Code of Ethics.
Track and analyze ESG data collected from suppliers	Through the annual Sustainable Supplier Survey, suppliers' ESG performance is monitored, the company's environmental and social risks are assessed, and compliance with sustainability standards is tracked.



FUTURE TARGETS

- Open two libraries in 2026 under the TSKB 100th Anniversary Republic Libraries Project and measure the use of existing libraries across 11 provinces.
- Open two kindergarten classrooms in 2026 under the TSKB 75th Anniversary Kindergarten Project and organize workshops to raise environmental awareness in existing schools.
- Develop projects under a to-be-defined umbrella brand in the areas of diversity, equity and inclusion by year-end 2026, in line with the Bank's sustainable development mission.
- Conduct analyses while integrating gender equality and youth employment perspectives into the Bank's credit assessment processes to raise awareness in the real sector.
- Continue to build capacity among customers through inclusiveness focused projects.
- Support COP31 through of value created and partnerships established.
- Build capacity in managing nature, climate and environmental and social risks within the supply chain.
- Undertake initiatives to strategically frame the impact generated through our development banking activities and enhance its visibility among stakeholders.
- Continue efforts to create impact and value aligned with the Sustainable Development Goals.

SOCIAL CAPITAL

TSKB, which began its sustainability journey in the 1980s with an environmental focus, has since integrated the social dimension of sustainability into its strategy aligned with evolving practices and priorities, accelerating its efforts in this area.

TSKB'S SOCIAL POLICIES

TSKB's social policies, prepared in alignment with its vision and mission, serve as a guide for both internal operations and relations with external stakeholders.

These policies, with their fair, inclusive, and equitable perspective, increase employee motivation and commitment while enabling the Bank to contribute to social development, generate social benefits, and achieve its sustainability goals. Additionally, the sustainability and social impact strategies designed to manage social risks support TSKB in leading the sector and preserving its reputation for reliability.

Following the reporting period, the Sustainability Policy and its supplementary policies were reviewed by a resolution of the Board of Directors in February 2026 and updated in light of national and international developments, the expectations of funding institutions, ESG rating methodologies, the requirements of certificates and initiatives of which the Bank is a signatory or holder, and examples of best practice. Additionally, the TSKB Ethical Principles was drafted based on the Ethical Principles of the Banks Association of Türkiye (TBB), which the Bank adopted in 2014, and it came into effect at the same time following approval by the Board of Directors.



- Sustainability Policy
- Environmental and Social Risk and Impact Management Policy
 - Appendix: TSKB Exclusion List
- Human Rights Policy
- Occupational Health and Safety Policy
- Equal Opportunity and Inclusion Policy
- Gender Equality Policy
- Anti-Bribery and Anti-Corruption Policy
- Gift and Hospitality Policy
- Sustainable Supply Management Policy
- Responsible Communication Policy
- Ethical Principles
- Nature and Biodiversity Policy
- Board of Directors Diversity and Inclusion Policy

SOCIAL DEVELOPMENT-FOCUSED MILESTONES IN TSKB'S SUSTAINABILITY JOURNEY

TSKB, which began its sustainability journey in the 1980s with an environmental focus, has since integrated the social dimension of sustainability into its strategy aligned with evolving practices and priorities, accelerating its efforts in this area. Today, social sustainability has become a permanent fixture on the Bank's agenda as a focus area given equal priority to climate and the environment, both directly through social-themed loans and as a complementary element in financing primarily focused on the environment.

- 2010 - Commitment to the United Nations Global Compact
- 2015 - Signatory to the Women's Empowerment Principles (WEPs)

In 2010, TSKB committed to the United Nations Global Compact, which comprises ten fundamental principles in the areas of human rights, labor conditions, the environment, and anti-corruption. In 2015, to support the economic empowerment of women, the Bank became a signatory to the Women's Empowerment Principles, the most significant international initiative established in partnership by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact.

- 2016 - Loan Agreement with the French Development Agency (AFD) to improve women's employment and occupational health and safety conditions

With the loan signed with AFD in 2016, TSKB began supporting investments by companies operating in Türkiye that foster gender equality in the workplace and enable women's participation in the workforce, under the gender equality theme that was adopted as one of its thematic priorities. Through a self-assessment tool, the Bank designs action plans for its clients to improve their existing practices.

In this context, it provides support for implementing action plans such as ensuring equal opportunity for employees from recruitment onward; revising human resources, ethics, and disciplinary policies; improving or establishing lactation rooms in companies; reducing or eliminating disparities in pay between women and men; and supporting training on gender equality. This impact journey, which began with AFD in 2016, continued with the World Bank in 2018, with AFD again in 2019, with the IFC in 2022 and 2024, and with the EBRD in 2024 and 2025.

- 2017 - Empowerment Through Education Fund, in collaboration with TSKB and the Turkish Education Foundation (TEV)
- 2018 - Women Stars of Tomorrow Education Support Fund, in collaboration with TSKB and İKSV, as part of the Istanbul Music Festival

To increase women's participation in the economy, TSKB annually supports third- and fourth-year female university students through the TSKB Empowerment Through Education Scholarship Fund, established in 2017 in collaboration with the Turkish Education Foundation (TEV). Additionally, through the education support fund launched in collaboration with İKSV in 2018, the Bank supports the career advancement of exceptionally talented young female musicians in the international arena in the fields of instrumental performance, vocals, and conducting. Details are available on page 140.

- 2020 – Revision of the Environmental and Social Risk Evaluation Tool (ERET)

Following the publication of the World Bank's Environmental and Social Framework, the Bank revised the ERET model, which it developed in 2005 and has been applying in its credit assessment processes since 2007, in line with the updated standards. In this context, the model was expanded to include the assessment of potential social impacts, such as land acquisition processes, stakeholder engagement activities, a grievance mechanism, local employment, and physical and economic displacement. Ensuring that the prepared plans and actions taken are gender-sensitive is among TSKB's primary areas of focus. Full details on the ERET Model are available in the Natural Capital section on page 107.

- 2020 – Sustainable Development Goals Mapping Model

Using the SDG Mapping Model that it launched in 2020, the Bank measures the social impacts of the projects it finances within a methodological framework and demonstrates its contribution to social sustainability with concrete indicators. The targets set in this context can be found in the Financial Capital section on page 68.

- 2022 – IDFC Gender Finance Mapping Tool

The mapping tool, developed in collaboration with TSKB and AFD as co-chairs of the IDFC Gender Equality Working Group and with the support of the Frankfurt School of Finance and Management, enables IDFC members to monitor and report their gender-responsive financing activities within a systematic framework. The collected data, in turn, allows for a comprehensive mapping of members' contributions to gender finance. The work carried out in 2025 within the scope of the IDFC Gender Equality Working Group can be found on page 139.



- 2024 – First Place in the Equileap Emerging Markets Gender Equality Index

TSKB ranked first in the "Gender Equality in Emerging Markets Index" conducted by Equileap, an independent data company based in the Netherlands. Following an assessment of 1,500 companies in emerging markets, the Bank secured the top spot with a gender equality score of 71% and was the only institution from Türkiye to be included in the 2024 list.

- 2025 – Loan Agreement with EBRD on the Theme of Youth and Women's Employment

Under this new agreement, signed with the goal of increasing youth and women's employment and reducing inequalities in Türkiye, the Bank will enable institutions to conduct situation analyses and determine action plans from a youth employment perspective using a self-assessment tool it developed, similar to its gender equality tool. With this loan, The Bank also added youth employment as a lending theme. Details are available in the Financial Capital section on page 68.

Other social impact-focused projects and initiatives implemented during the reporting period are addressed under the headings on the next page.



In 2025, TSKB added Youth Employment to its financing themes.

SOCIAL IMPACT MANAGEMENT

MANAGING THE SOCIAL IMPACT OF THE BANK'S INTERNAL ACTIVITIES

An important dimension of TSKB's sustainability strategy is its work in the social sphere, guided by a perspective of inclusion, equality, and diversity. The perspective of inclusion, equality, and diversity is one of the most important elements forming the foundation of TSKB's vision and mission.

To ensure its employees work in a happy and equal environment and to foster better workforce participation, TSKB has adopted international social standards that go beyond legal regulations.

With a female employee ratio of 53%, the Bank continues to lead the sector in gender equality through its equal opportunity model in human resources practices, a near-zero gender pay gap, training programs, and collaborations with international institutions. You can access the Human Capital section from page 144 onwards.

GENDER EQUALITY CERTIFICATE PROGRAM

The Gender Equality Certificate Program, a 60-hour course conducted in collaboration with Galatasaray University and the Yanındayız Association, was held exclusively for a closed group of 20 TSKB employees. The content was designed to address the theoretical foundations of gender equality and its practical reflections from an academic perspective.

At the end of the program, participants presented their projects in which they proposed solutions to problems identified in reports on gender equality in the banking sector.

Examples of focus areas

- The Transformative Role of Finance and Its Social Impact Potential in Empowering Women in the Workplace,
- Women's Representation in Senior Management and the Glass Ceiling,
- The Unseen Cost of an Aging Population: Care Labor and Women's Employment,
- The Socialization of Domestic Labor: The Effects of Paternal Involvement on Women's Employment and Development,
- Low Representation of Women in Software Departments in the Banking Sector.

INCLUSIVE LANGUAGE GUIDE

In 2024, a survey was conducted among employees to measure how they perceive TSKB's approach to inclusion, diversity, and equality, and its practices in these areas. The results of the Inclusion, Diversity, and Equality Perception and Awareness Survey were analyzed by an independent consulting firm. Benchmarking studies were conducted based on the survey results, and action recommendations were prepared.

The Bank prepared an implementation plan to carry out the recommended actions in the short, medium, and long term. One of the actions identified was the creation of an Inclusive Language Guide to raise awareness among Bank employees and other stakeholders about stereotypical and use of language that can lead to discrimination in communication. The TSKB Inclusive Language Guide, developed in collaboration with Kadir Has University, promotes avoiding expressions that reinforce

stereotypes that can lead to discrimination. It aims to create awareness of situations where individual characteristics such as gender, religion, national and social origin, race, marital status, age, political opinion, or mental or physical disability are reflected in a non-inclusive manner in daily language and business processes. The guide serves as a practical reference for employees and aims to contribute to the widespread use of inclusive and anti-discriminatory language in daily life and the business world. It is shared on the website, making it accessible to the public and all stakeholders.

TSKB ETHICAL PRINCIPLES, ETHICS COMMITTEE, AND ETHICS HOTLINE

In February 2026, TSKB established and published its Ethical Principles, based on the Ethical Principles it had formed in 2014 by adopting the TBB Banking Ethical Principles and the TSPB Capital Market Employees' Ethical Principles and Rules of Conduct. The TSKB Ethical Principles was established by adding the elements of Responsible and Sustainable Banking, Inclusion, Equality and Diversity, and Responsible and Effective Communication to fundamental principles such as Integrity, Impartiality, Reliability, and Transparency, in alignment with TSKB's value creation model.

As part of the Ethical Principles efforts, a reporting channel of Ethics Hotline was established in addition to the Bank's existing Grievance and Feedback Mechanism. This channel allows internal and external stakeholders to securely and easily report behaviors and situations contrary to the Bank's Ethical Principles, including sensitive complaints.

An Ethics Hotline was established to enable internal and external stakeholders to securely and easily report conduct and situations that violate the Bank's Ethical Principles.

The system's accessibility has been expanded through various communication channels such as telephone, email, postal mail, and the website, and it also allows anonymous reporting. The system's independence was strengthened by routing applications directly to the Board of Internal Auditors. As part of the update efforts, it was also decided to establish the TSKB Ethics Committee with the duty of overseeing the proper functioning of systems and processes. The Inspection Board will regularly inform the Board, which is composed of members of the Executive Committee.

FINANCING AND VALUE CREATED

As mentioned in the milestones, TSKB began tracking the value it created under the theme of Gender Equality with the loan themed "Women's Employment and Improvement of Occupational Health and Safety Conditions," signed with the French Development Agency (AFD) in 2016.

In this context, action plans are designed to improve clients' existing practices using a self-assessment tool developed by the Bank. Thus, the Bank provides support for implementing action plans such as ensuring equal opportunity for employees from recruitment onward, revising human resources, ethics, and disciplinary policies, improving or establishing lactation rooms at companies, reducing/closing the gender pay gap, and supporting training on gender equality.

In 2018, through the Access to Inclusive Finance loan provided by the World Bank, the Bank met the working capital and investment loan needs of private sector companies across Türkiye that support women's participation in

the workforce and provide suitable working environments. In all projects carried out following this collaboration with the World Bank, TSKB continues to indirectly support women's participation in the workforce, even in funds where women's empowerment is not the primary impact area, and encourages companies to adopt best practices in this field.

In the following years, the Bank continued to expand its impact by signing collaborations with various development finance institutions under the same theme, leveraging the practical experience and deepened technical capacity it had gained.

Finally, during the reporting period, the Bank added Youth Employment to its themes with the Youth and Women's Employment Loan signed with the EBRD. With the self-assessment tool developed within the Bank, the aim was to conduct a situation analysis from a youth employment perspective and determine action plans for institutions, just as with the gender equality tool.

Furthermore, following the earthquake disaster that affected many provinces in Türkiye in 2023, TSKB engaged in numerous collaborations under the earthquake theme—a theme first added in the 2000s—focusing on green and restorative financing for the earthquake-affected regions.

Having successfully completed its three separate targets under the social theme last year, TSKB announced in this report a social financing target of USD 3 billion to be achieved by 2030, effective as of 2024. Full details are available in the Financial Capital section on page 144.

3

USD BILLION

Social financing target
by 2030

MANAGING THE SOCIAL IMPACT OF FINANCING

TSKB uses various methodologies to assess and measure the social impacts of every project it finances, regardless of the investment amount. The process of identifying stakeholders who will be affected by the project and determining the extent to which the project will affect each stakeholder is an important element in managing these impacts. Site visits are organized for experts to conduct in-depth analyses of the social impacts of projects. During site visits, consultation meetings, face-to-face interviews, and in-depth discussions are held with all affected stakeholders (local communities, municipalities, village heads, local authorities, etc.) to observe and analyze the social impacts of the projects. At the same time, focus group meetings are organized for stakeholders in vulnerable groups (women, the elderly, persons with disabilities, refugees, etc.)



to analyze the extent to which the project will affect these groups. Discussions are held with the project's employees, its most important stakeholders; the project's workforce and working conditions are assessed for compliance with international standards that go beyond legal requirements.

TSKB uses its proprietary Environmental and Social Risk Evaluation Tool (ERET) to measure the environmental and social risk of every project, regardless of the investment amount. Using this model, detailed environmental and social impact assessments of projects are carried out; projects are categorized according to the resulting risk score, and a separate action plan is provided for each environmental and social risk category. The Bank, in collaboration with its clients, structures how environmental and social impacts will be managed and monitored within an action plan and monitoring program. This helps clients develop their capacity in environmental and social matters while also mitigating potential risks related to the social impacts of projects. Full details on the ERET model are available in the Natural Capital section on page 107.

SDG MAPPING OF LOANS

Through SDG mapping, social impacts, one of the three fundamental dimensions of sustainable development in financed projects, are measured using a methodological approach, and the contribution to social and sustainable development is quantified. During the reporting period, the Bank contributed to the following social development-focused SDGs through the projects it financed. Since 2024, a total of USD 1.3 billion in financing has been provided in this context.

As part of the SDG Mapping Model update in 2024, the impact of investments on SDG 5 - Gender Equality was reassessed, and the model's scope of impact was deepened. In addition to investments that directly impact SDG 5, the model was expanded to include criteria for indirect impacts on SDG 5 because some companies and investments have indirect effects.

The direct impacts of investments in women's employment and empowerment on sustainable development are assessed through analyses conducted at different stages of the investment (ex-ante, in itinere, and ex-post). These analyses provide transparent impact reporting for investors and stakeholders while also strengthening TSKB's impact-oriented lending approach. Furthermore, the impacts arising from the integration of a gender equality perspective into climate finance are considered indirect impacts and are meticulously monitored by relevant experts.



SOCIAL PERFORMANCE MEASUREMENT TOOL

To measure the social performance of the companies, investments, and projects it finances, TSKB uses the Social Performance Measurement Tool developed by the Bank's experts.

The Measurement Tool was designed to assess both the social standards set by national legislation and international social performance standards within a broad framework. In this context, measurement criteria were observed in the areas of Stakeholder Engagement and Communication, Equal Opportunity, Inclusion, and Gender Equality, Human Rights, Human Resources, Social Management, Social Investments and Corporate Social Responsibility Activities, Supply Chain, and Occupational Health and Safety.

This tool aims to determine the social performance of financed companies and investments and to enable their capacity development by identifying gaps. Performance improvements are tracked based on the data obtained to better manage social impacts.

As part of a pilot application in 2025, the tool was applied to two clients in the pharmaceutical and port sectors, and its applicability under different scenarios was tested.

IMPACT MEASUREMENT REPORT OF WOMEN'S EMPLOYMENT PROJECTS

Through ex-post impact assessments of the loan agreements signed with AFD in 2016 on the theme of Women's Employment and Occupational Health and Safety, and in 2019 on the theme of Women's Employment, the success of the financing was measured not only by repayment performance but also by real-life outcomes such as job creation, improvements in working conditions, and corporate policy transformation.

A comprehensive impact measurement study was conducted in 2024 and 2025 by an independent consulting firm, analyzing the projects' alignment, effectiveness, sustainability, and impacts, and evaluating the consistency of the impacts with the projects' objectives and expected outcomes. Using a multifaceted approach, the impacts of the projects on the gender equality strategies and capacities of TSKB and the borrowing firms, as well as the contributions of the partnership established with AFD to the process, were analyzed.

Key impacts and results:

- The 2016 loan resulted in an additional 1,335 women being employed, while the 2019 loan resulted in 141 women being employed despite COVID-19.
- Increased awareness of gender equality and the use of gender-disaggregated data were encouraged at the company level.
- Companies were supported in identifying their gender gaps and taking concrete steps such as HR policy reforms, grievance mechanisms, and workplace infrastructure improvements.
- Contributions were made to improvements in workplace safety, childcare support, and harassment-prevention mechanisms.
- A gradual cultural transformation was supported in male-dominated sectors.

CIRCULAR ECONOMY AND GENDER EQUALITY

Under the circular economy-themed loan obtained from AFD at the end of 2022, a study on the circular economy and gender equality was conducted with an independent consultant. The study, which incorporated TSKB's expertise and client experiences to reflect conditions in Türkiye, reveals that the shift toward circular economy practices presents a dual picture

for women, offering both opportunities and systemic challenges. The necessity of integrating strategies that consider how women are affected into circular economy initiatives is emphasized to ensure equal participation and the fair distribution of benefits.

RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

TSKB conducts its procurement and supply chain management processes based on the principle of prioritizing responsible, ethical, and reputable local suppliers who offer high-quality, cost-effective products and services.

In accordance with the Sustainable Supply Management Policy updated in February 2026, the Bank aims to bring its suppliers into compliance with TSKB's sustainability standards. In this context, TSKB encourages its suppliers and provides them with information and expertise when necessary. The Bank supports the establishment of ISO 14001 Environmental Management System, ISO 14064 Greenhouse Gas Emissions Standard, and ISO 45001 Occupational Health and Safety Management System, and endeavors to work with companies that hold these certifications. It expects them to fully comply with the minimum wage, maximum working conditions and hours, overtime pay, prohibition on child labor, and disciplinary and punitive rules determined by the laws and regulations of Türkiye. Within this scope, the ESG performance of suppliers is monitored, the company's environmental and social risks are assessed, and the company's compliance with sustainability standards is tracked through the annual Sustainable Supplier Survey.

NATIONAL AND INTERNATIONAL COLLABORATIONS

IDFC WORKING GROUPS

In 2025, TSKB continued its work on climate change, biodiversity, gender equality, and alignment with the SDGs within the International Development Finance Club (IDFC), of which it has been an active member since 2011 and a member of the Management Committee since 2019.

The Bank participated in the IDFC Steering Committee Meeting held in Seville on June 30–July 1, 2025, and the IDFC Annual Meeting in Washington, actively contributing to the global sustainable finance agenda.

Within the Gender Equality Working Group, co-coordinated by TSKB, the Gender Equality Financing Mapping efforts under the “IDFC Collective Roadmap” also continued in 2025. TSKB participated as a speaker at the meeting organized with UN Women on April 8, 2025, which focused on SDG 5. Within the Biodiversity Working Group, TSKB continued to support the nature-positive finance approach in line with the Biodiversity Declaration published at the Finance in Common Summit, contributing to efforts to integrate biodiversity risks and opportunities into financial decision-making processes and promote nature-based solutions.

TSKB, also taking an active role in the SDG Alignment and Climate Change Working Groups, contributed to the update of the SDG self-assessment tool, which is jointly used by IDFC member development banks and allows them to evaluate their financing activities for alignment with the SDGs. The Bank continued to

support climate finance methodologies and risk assessment studies within the scope of the IDFC Facility.

In 2025, the Bank further strengthened its inclusive and climate-sensitive financing approach, aligned with sustainable development goals, at an international level through the IDFC platform.

BCSD TÜRKİYE

Within BCSD Türkiye’s Financial Products and Services Sub-Working Group under the Reducing Inequalities focus area, a project was implemented whose first phase was completed in 2024 and whose second phase was completed in 2025. The project aimed to create a common learning space on gender equality, inclusiveness, equal opportunity, and diversity in the financial system and to support the development of inclusive financial products and services.

Throughout the project, with representatives from the banking and real sectors, existing financial products were examined through an inclusivity lens, and national practices were compared with international best practices. The studies facilitated the identification of internal needs, laid the ground for potential product development processes, and indirectly contributed to inclusive financial access. In the first phase of the project, TSKB delivered a detailed briefing to the working group members detailing the themes of Inclusiveness, Diversity, Equal Opportunity, Human Rights, and Gender Equality. In the second phase, it addressed the concepts of equality, equal opportunity, diversity, and inclusiveness in their strategic and regulatory dimensions, evaluating financial products incorporating these principles, conducting a gap analysis of national legislation versus international standards, and assessing the measurement framework using inequality-focused indices from a holistic perspective.





In line with our vision for an inclusive and sustainable future, we continue to create lasting and transformative value on a societal scale across a broad ecosystem spanning from education to art, and from the environment to entrepreneurship.

SOCIAL VALUE AND CORPORATE SOCIAL RESPONSIBILITY

Since our establishment, we have approached development from a multifaceted perspective, viewing it as a process of social and cultural advancement in addition to financial success. We believe that inclusive development that creates lasting value is strengthened by equal opportunity.

With this understanding, in 2025, as we celebrated our Bank's 75th anniversary, we further strengthened our long-standing environment, people, and culture-focused projects to expand TSKB's impact on social and cultural development.

At our second TSKB Development Day conference, held in May 2025 with the theme Boosting Potential Growth with a Triple Transformation, we addressed the green, digital, and social transformation. With over 600 participants from finance, academia, and the business world, we discussed the strategic roadmap for development that leaves no one behind.

Deepening TSKB's impact in education, we reached nearly 400 young people by supporting the education of 75 students for our 75th anniversary through our Empowerment Through Education Scholarship Fund project, carried out in collaboration with TEV.

Following the February 6 earthquakes, we launched our "11 Libraries in 11 Provinces" project in September 2023. In less than two years, we completed opening enriched libraries in all affected cities, bringing more than 7,000 students together with over 50,000 books.

To support preschool education and women's employment, we launched our "TSKB 75th Anniversary Kindergarten Class" project in February 2025, opening seven kindergarten classes in four cities and contributing to the education of 160 preschool-aged children.

We continued to foster the creative power of sustainable development through special projects implemented to support artistic production and equal opportunity in the arts. Through the Women Stars of Tomorrow Education Support Fund, which we have maintained in collaboration with IKSİ since 2018, we have supported the artistic education of 120 young women musicians to date. In commemoration of our 75th anniversary, we added a new work to Türkiye's classical music repertoire with the work titled "Çember (Circle)," composed by Ceren Türkmenoğlu.

With our TSKB 75th Anniversary Contemporary Artwork Competition project, organized under the theme "From Roots to Today, to the Future with Art," we encouraged young people to engage in artistic production, receiving over 600 applications from 102 different universities in 60 cities across Türkiye.

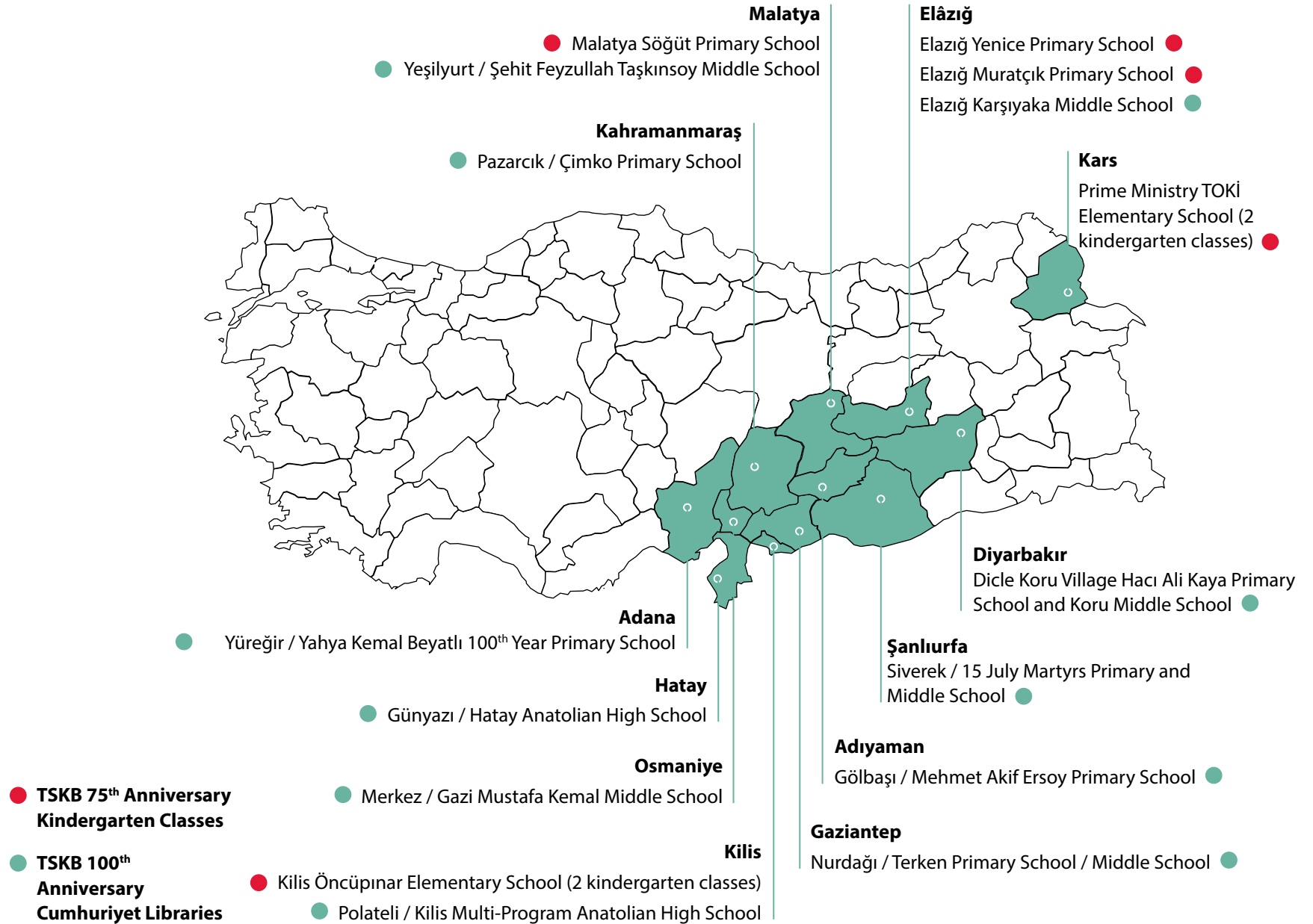
We received nearly 300 applications for our TSKB Co-Venture project, a collaboration with GİRİVAK that prioritized women entrepreneurs from the earthquake-stricken region. With the goal of providing training and mentorship support to 15 selected entrepreneurs, we expanded our contribution to the economic and social recovery of the earthquake-affected regions based on sustainability criteria.

In our Development Steps podcast series, which we launched in 2025, we discussed economic, environmental, social, and cultural development with Türkiye's leading academics, artists, athletes, and businesspeople.

With the TSKB 75th Anniversary Memorial Forest we established in Istanbul and Ankara, we increased our number of saplings to 75,000, contributing to a sustainable future.

With a vision for a more inclusive and sustainable future, we will continue to build on our 75-year legacy by intensifying our efforts, surpassing the impact of the previous year, and creating shared and lasting value for society.

TSKB 75th Anniversary Kindergarten Classes and TSKB 100th Anniversary Republic Libraries



SUSTAINABILITY PROJECTS

As an institution that placed sustainability at the center of its business practices early on, we brought together students from departments such as engineering, business administration, economics, and related fields from nine different universities at the 13th Sustainability Workshop we organized to raise awareness among students.



WWW.CEVRECIYIZ.COM

Launched in 2007, www.cevreciyiz.com, TSKB's first project in the field of sustainability, offers rich content on various topics such as business ideas on sustainability, eco-friendly innovation, alternative energy sources, the circular economy, the climate crisis, and the green transition. The impact generated by the project is disseminated to broader segments of society through posts on social media channels.

Throughout 2025, with over 178 pieces of content, high-quality and responsible stream of publications were provided to raise awareness by drawing on research in renewable energy, biodiversity, sustainable living, and environmental and air pollution.

Awareness continues to be raised on the climate crisis through social media accounts with various content, including infographics, a climate lens, statistics, and quotations. cevreciyiz.com will continue to be a resource for the work of experts, academics, and students on the subject in the coming period.

SUSTAINABILITY WORKSHOP

The Bank, which placed sustainability at the core of its business practices early on, met with students from departments such as engineering, business administration, and economics from nine different universities at its 13th Sustainability Workshop, organized to raise awareness among students.



#EŞİTADIMLAR (EQUALSTEPS)

The digital platform, launched in collaboration with SKD Türkiye (Sustainable Development Association), offers a comprehensive guide to all companies wishing to support women's employment and take steps to improve their equal opportunity approach. #EşitAdımlar, a digital library that effectively uses social media channels, features successful practices from Türkiye and around the world, roadmaps, relevant standards and regulations, and high-quality research conducted in this field.

The platform has approximately 25,000 followers on social media. In 2025, a total of 160 original pieces of content were published on the #EşitAdımlar website and digital channels.

"Let's Take an Equal Step" and statistical concepts were implemented, and posts were shared to raise awareness of equal opportunity.

EXPERIENCE SHARING

TSKB shares the economic, environmental, and social impact it generates within its banking service cycle and the experiences it has built with large audiences, thereby enhancing stakeholder engagement.

The Bank receives contributions and suggestions from all stakeholder groups through periodic Stakeholder Dialogue meetings, making sure to involve all relevant parties in the Bank's development process. The Bank actively uses industry organizations to strengthen stakeholder communication.

By participating as a speaker in capacity-building training and global summits, TSKB shares its expertise both in Türkiye and on the international stage. Continuing its effective collaboration with stakeholders in 2025, the Bank provided sponsorship support for 16 events.

- TKYD XVI. International Corporate Governance Summit
- 10th ITU Carbon Summit
- Fast Company Sustainability Leaders
- Urla Jazz Festival
- 21st International Middle East Economics Association (MEEA) Conference
- BCSD Türkiye-Sustainable Finance Forum
- BCSD Türkiye – Innovation in Agriculture
- 2nd Sustainability Conference 2025
- ERTA: Türkiye's Vision in Global Transformation — Global Conference on New Paradigms of Development
- Oggusto Shining Stars Conference
- 4th Transforming Leadership Summit
- İKSV 18th Istanbul Biennial
- Yanındayız Association Conference
- Oxygen Future Forum
- Istanbul Marketing Summit
- Yanındayız Association
- #womanisequaltomanperiod Conference

To make experience sharing more effective, the Bank participated in events as a speaker or attendee, in addition to providing sponsorship support. TSKB also participated as a speaker in more than 60 events in 2025.

SOME OF THE NATIONAL AND INTERNATIONAL PANELS ATTENDED THROUGHOUT THE YEAR

- Project on Resilient, Green and Transformative Development in Asian Belt and Road Countries FICS - G20 Infrastructure Investors Dialogue
- 21st International Middle East Economics Association (MEEA) Conference
- CDP "Business Matching Platform in Türkiye" opening event
- UN Global Compact Türkiye Summit
- COP 30
- IDFC Gender Equality Working Group "Preventing and Responding to Gender- Based Violence: Leveraging Public Development Banks' Funding to Reach SDG 5" Webinar
- ICCI 2025 Energy Conference "Energy Financing" Session
- ERTA "Türkiye's Green Transformation Adaptation Process: Strategy, Policy, and Practices" Event
- Workshop on the Role of National Development Banks and Competition Policies in the Financial Sector panel
- 1st Europe and Central Asia Energy Knowledge Forum
- BofA Türkiye FICC Conference
- Corporate Sustainability Leaders' Summit, Collaboration and Awareness Meetings Series II: Finance

With its deep knowledge and expertise, TSKB continues to create value by participating in summits and sharing its experience on national and international platforms.

HUMAN CAPITAL

Target

Performance

Maintain the share of female employees at a minimum of 50%	52%
Maintain the gender pay gap below 5%	4%
Maintain the average annual training hours per employee at a minimum of 45 hours	52 hours
Implement at least one new awareness-raising project under inclusivity initiatives, including support for disadvantaged groups and employee training on inclusion	A certified online training program titled Birlikte Kariyer has been designed for university students with hearing impairments and recent graduates. Through the TSKB Yanında Program, free individual psychological counseling support has been provided to students with disabilities in collaboration with a university and an online therapy platform.
Offer two new programs under the “We Value You!” motto to support employee well-being and work–life balance, covering different themes such as physical and mental health, finance and child development	The Financial Wellbeing Program has been implemented. Well-being applications such as Heltia and Meditopia have been made available to employees and their families.
Launch a new program planned under the TSKB Technology and Entrepreneurship Platform to support entrepreneurs	In 2025, Türkiye’s first venture builder program in the finance sector was established in collaboration with the Türkiye Entrepreneurship Foundation. Through the Venture Builder program, it is aimed to both structure early-stage ventures from scratch and support advanced-stage entrepreneurs in scaling their existing products with an impact and investment focus across two application cycles.
Introduce at least two new programs to enhance real-time feedback and recognition among employees within the organization	In 2025, as part of the program, HR Representatives participated in a session held under the theme of “Development, Recognition & Feedback” and shared their suggestions with HR. Within the framework of the award program established to support feedback, employees who gave and received the most recognition, as well as those who provided and received the most feedback via Reflex, were rewarded.
Implement a mentor–mentee program for university students within an online program focused on development and sustainability themes.	The online training and mentorship program Finance of the Future Academy has been launched. Following technical trainings and career talks held throughout July, mentorship support was provided by TSKB volunteers to 75 students who successfully completed the program.
Launch a mentorship program that brings employees together with senior executives from diverse disciplines	The TSKB Mentorship Program has been launched, creating a development journey that supports mutual learning and intergenerational interaction.

KPI	2025* 
Female ratio on the Board of Directors	27%
Female employee ratio across the Bank	52%
Female ratio in Senior Management	36%
Female ratio in management positions	53%
Female ratio in middle management	59%
Female ratio in revenue-generating departments	46%
Female ratio in STEM-related positions	33%
Gender pay gap (Median)	4%
Gender pay gap (Average)	6%
Return rate after maternity leave	100%
Average training hours per employee	52 hours
High performer turnover rate	2.2%
Voluntary turnover rate	3.8%
Employee engagement survey participation rate	94%
Net promoter score	45%
Hybrid working ratio	49%
Female ratio benefiting from flexible working arrangements	50%
Female ratio with internal mobility (rotation / internal transfer)	40%
Female ratio in recruitment interviews	52%
Female ratio among new hires	48%
Female ratio among interns	48%
Female ratio among promoted employees	48%
Female ratio among participants joining through the TSKB Career Workshop graduate program	43%
Female ratio among employees representing the employer brand externally	55%
Female ratio among students participating in the Sustainability Workshop	56%

*All KPIs listed above are based on audited data.



FUTURE TARGETS

- Maintain the female employee ratio at a minimum of 50%.
- Maintain the gender pay gap below 5%.
- Organize four employee-focused events to raise awareness on disability under inclusivity initiatives and undertake actions to improve the physical accessibility of TSKB buildings.
- Expand practices that enhance employee well-being and work-life balance in line with the “We Value You!” motto.
- Maintain the average annual training hours per employee at a minimum of 50 hours.
- Develop internal trainers through the Train-the-Trainer Program, design a training catalog and deliver at least one training session.
- Support venture ideas and advanced-stage startups in the education, health, climate and disaster technologies verticals under the TSKB Co-Venture program through TSKB’s expertise.
- Provide psychological support to students with disabilities at a newly designated university under the TSKB Yanında Program, and deliver a training program for university students with disabilities and recent graduates under the Birlikte Kariyer program.
- Offer a title-based training and development program on Digital Literacy and Productivity with Artificial Intelligence.

HUMAN CAPITAL

Investments in human capital development are carried out in line with sustainability principles and corporate strategy.

10

Awards won in Human Resources in 2025

The Bank aims to maximize the potential of its human capital and make a strong contribution to corporate performance by creating a fair and inclusive work environment.

As an extension of the multifaceted development approach adopted in its banking activities, diversity and inclusiveness is prioritized in human resources.

Investments in human capital development are planned and implemented in line with sustainability principles and corporate strategy.

TSKB RECEIVES 10 AWARDS FROM 4 SEPARATE AWARD PROGRAMS IN HUMAN RESOURCES

In 2025, TSKB was honored with a total of 10 awards from 4 prestigious programs. At the Excellence Awards 2025, organized by the Brandon Hall Group, TSKB continued its tradition of success, winning awards for the fourth consecutive year. The Bank received a total of three awards, winning gold in the Most Innovative Talent Management Program and Best Employee Recognition Program categories, and silver in the Best Career and Succession Management Program category.

At the Stevie Awards for Great Employers, TSKB received awards in three separate categories based on the evaluation of an international jury, winning a gold award for the Best Team Development Program, and silver awards for Achievement in Employer Branding and Talent Acquisition Team of the Year.

The Bank was awarded a Silver award at the Globee Awards in the Human Resources category for Career Development, Most Innovative Training Program, and Talent Acquisition.

Finally, in 2025, TSKB won its first ATD award in the Skills-Based Career Management category at the Association for Talent Development (ATD)'s 2026 ATD Excellence in Practice Awards program.

BRANDON HALL GROUP 3 AWARDS



- Most Innovative Talent Management
- Best Employee Recognition
- Career & Succession Management

4 years of uninterrupted success

STEVIE AWARDS 3 AWARDS



- Best Team Development
- Employer Brand
- Talent Acquisition Team of the Year

Global success in employer branding

GLOBEE AWARDS 3 AWARDS



- Career Development
- Most Innovative Training
- Talent Acquisition

International recognition in training and career development

ASSOCIATION FOR TALENT DEVELOPMENT (ATD) 1 AWARD



- Skill-Based Career Management

First ATD award

HUMAN RESOURCES AND DEVELOPMENT IN 2025

HUMAN RESOURCES PRINCIPLES

TSKB accepts the principles of the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Sustainable Development Goals, and the UN Convention against Corruption, and conducts all its activities in accordance with these principles and within the framework of the labor legislation in force in Türkiye.

TSKB demonstrates a strong commitment to compliance with international human rights standards and ensures that both its employees and all stakeholders, including its suppliers, adhere to these standards.

Click [here](#) for the TSKB Human Rights Policy.

HUMAN RESOURCES DATA

As of 2025, the number of bankers working at TSKB is 436. During the reporting period, the ratio of female employees in senior management was 36%, and the ratio of female employees in management positions was 53%. The ratio of female members on the Board of Directors is 27%.

As a result of efforts to maintain the sustainability of employees' high performance levels and keep brand loyalty high, the turnover rate for high-performing bankers was 2.2% in 2025, while the voluntary turnover rate across the Bank was measured at 3.8%.

The Bank continuously improves its human resources strategies and enhances diversity to increase employee satisfaction and support sustainable growth.



GENDER EQUALITY CERTIFICATE PROGRAM

The Gender Equality Certificate Program, a 60-hour course conducted in collaboration with Galatasaray University and the Yanındayız Association, was held exclusively for a closed group of 20 TSKB employees. The program aimed to address the theoretical foundations of gender equality and its practical reflections from an academic perspective. At the end of the program, participants presented projects developing solutions to issues identified in reports on gender equality in the banking sector.

TSKB continuously improves its human resources strategies and promotes diversity to enhance employee satisfaction and support sustainable growth.

53%

Female representation in management positions

The Sustainability Development Program remained available on the digital training platform, Partnering for the Future.

In 2025, an average of 52 hours of training per employee was provided.

7,000+

Content items in the digital library of the Partnering for the Future platform

PARTNERING FOR THE FUTURE

Partnering for the Future is a digital learning platform that enables employees to closely follow current learning and development trends with its rich, multidimensional content structure covering new-generation skills, personal development, and hobbies, focusing on professional and behavioral competency development. The comprehensive library, which contains over 7,000 content items, supports employee development through skill- and role-based thematic development journeys. Within the framework of an integrated learning approach, it is positioned as a powerful digital learning resource that complements in-class applications in training programs.

The gamification features offered on the platform add an innovative, competitive, and fun dimension to the learning experience; one example is "Guess What!" competitions support the learning process and increase the level of interaction and communication.

Thanks to the Career Portal infrastructure integrated into the Partnering for the Future platform, employees can track technical knowledge and skills, critical experience, and

behavioral competency sets by department, job family, and role. Employees can monitor their development needs for their current roles and the role requirements for potential career steps in line with the determined criteria; they benefit from the development guides and training library offered by the platform when creating their development action plans.

Thanks to this integrated structure, all concepts related to career and development processes are managed holistically with a transparent, measurable approach that is compatible with current learning trends.

Partnering for the Future also offers access via a mobile application, supporting employees' learning and development processes regardless of time and place.

CONTINUOUS TRAINING AND DEVELOPMENT

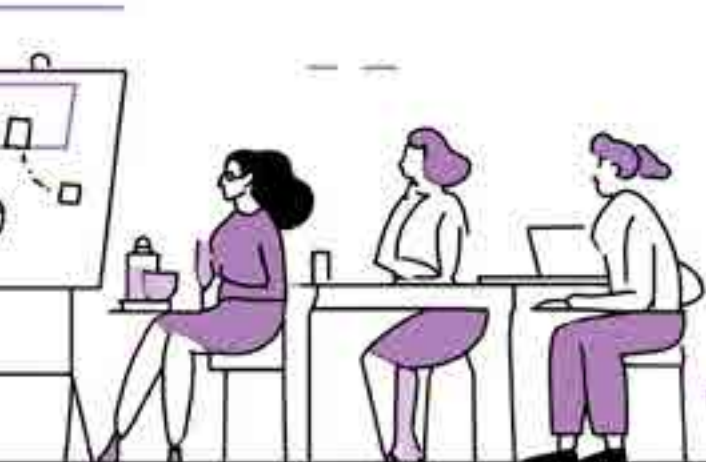
TSKB aims to develop its human capital through customized training programs. In line with this goal, The Bank conducts various training and development activities to strengthen employees' personal skills as well as their technical and professional knowledge.



The Bank offers different programs suitable for every level to develop the managerial skills of its employees, prepare them for the future, and create a common corporate culture. While implementing training programs to develop global leadership skills for department managers, one-on-one coaching sessions are organized for managers at different managerial levels through a platform that offers technological coaching solutions.

In 2025:

- An average of 52 hours of training per employee was provided.
- The Sustainability Development Program, established with the support of Escarus, a subsidiary of TSKB, to increase employees' knowledge and awareness within the scope of sustainability activities, remained available on the digital training platform, Partnering for the Future. The program covered topics such as the historical development of the concept of sustainability, ESG, zero waste, energy efficiency, and gender equality.



- Team coaching activities and follow-up meetings were organized to strengthen communication within the team and reinforce the feedback culture.
- One-on-one coaching and domestic and international development training were organized to support employee development. In addition, participation in technical and vocational training programs took place.
- The Bank began working with next-generation language platforms to support its employees' development of professional foreign-language skills.
- At TSKB, employees receive annual training to raise awareness on the prevention of money laundering and the financing of terrorism in line with MASAK regulations. Participants are required to complete an assessment at the end of the training to successfully complete the program.
- Banking Ethics Principles training is conducted annually to raise awareness among bank employees about the operational cycle. Anti-Bribery and Anti-Corruption Training is provided annually to raise awareness across the Bank regarding compliance with applicable anti-bribery and anti-corruption laws and regulations, ethical and professional principles, and universal rules.

As part of the activities marking TSKB's 75th anniversary, the Vision, Mission, and Values set was revisited and updated with a forward-looking perspective through nine workshops with the participation of 155 participants.

In 2026, TSKB will continue its investments in the multifaceted development of its human capital with an approach that considers the requirements of its corporate strategy.

DIVERSITY AND INCLUSION

In line with the Bank's goal of creating an inclusive, equitable, and safe working environment, a series of initiatives has been implemented to address the importance of language use on business culture, employee experience, and social impact.

In this context, the TSKB Inclusive Language Guide was developed in collaboration with Kadir Has University to strengthen inclusive communication. This study aims to raise awareness of how differences, primarily gender, are reflected in language and business processes, and to promote a more inclusive communication culture among employees and all stakeholders.

The Digital Inclusive Language Dictionary, the second study complementing the guide, encourages the use of more equality, inclusive, and non-discriminatory expressions in communication.

Details on the scope and content of these studies are provided in the Social Capital section.

Work is underway to develop an integration that provides automatic language suggestions for Outlook and MS Office applications, supporting the integration of inclusive language into daily workflows.

The TSKB Inclusive Language Guide has been prepared in collaboration with Kadir Has University to strengthen inclusive communication.



Thanks to this integration, users will be guided away from non-inclusive expressions in their correspondence and supported with suggested inclusive alternatives. Thus, inclusive communication will not be limited to the guide and dictionary content; rather, it will be naturally integrated into day-to-day business processes.

The Bank does not discriminate in its recruitment processes on the grounds of gender, religion, national and social origin, race, marital status, age, political opinion, mental or physical disability, social class, HIV/AIDS status, philosophical belief, trade union membership, sexual orientation, or similar visible or non-visible grounds. The Bank does not permit discrimination among its employees and provides a working environment based on the principle of diversity and inclusion. Matters such as training and development opportunities, remuneration, working hours, job security, performance evaluation and promotion, maternity protection, and occupational health and safety are applied equally to all TSKB employees, and no discrimination is permitted.

The Inclusion Ambassadors program, launched in 2025, aimed to strengthen the inclusive culture in communication and behavior within the organization, increase awareness, and support a working environment where everyone can express themselves equally. The first activity of the project was Disability Awareness Training. This training was also specifically designed for managers and supervisors who have employees with disabilities on their teams. Subsequently, an event focused on experience and empathy was organized with the participation of inclusion ambassadors. Empathy and experience-focused events will continue to be organized with volunteer employees who act as representatives of internal inclusive transformation.

The Bank will continue its accessibility efforts under the theme of inclusion in 2026.

There were no complaints of discrimination filed with the Bank during the reporting period.

EMPLOYEE COMMUNICATION MECHANISMS

To increase communication among employees, the “Let an Expert Explain” meetings, where hobbies are shared with colleagues, continued throughout 2025.

TSKB HR employees and HR representatives continue to meet in sessions where they share suggestions and requests from departments. In 2025, as part of the program, HR representatives attended a meeting on the theme of Development, Recognition, and Feedback and shared their suggestions with the Human Resources Department.

By implementing the TSKB Mentoring Program, a development journey was created that supports mutual learning and intergenerational interaction. The mentoring team, composed of senior executives and managers, will continue to meet with TSKB mentees for six months to provide guidance and share experiences.

EMPLOYEE WELL-BEING

Under the motto “We Value Us!”, TSKB implements various practices that focus on employee well-being.

At TSKB, meditation programs, an employee assistance program, psychological counseling services provided by a licensed clinical psychologist, themed webinars, and holistic health activities conducted with a physical therapist are offered to support employees’ work-life balance. As part of Healthy Living Week, workshops focusing on physical activities, hobbies, and mental health awareness are held.

As part of the 2025 activities:

Special sessions for employees with a corporate physical therapist and a pilates instructor continued once a week for six months. Additionally, an employee social support program offering a wide network of facilities was launched to facilitate employees’ access to different sports and to encourage regular physical activity.



The scope of ongoing work with an expert clinical psychologist was expanded. In the program offered under the name Birth Preparation, Return to Work, and Parental Roles, one-on-one counseling sessions continued for expectant mothers, new parents, and parents in special circumstances. Parents of children aged 2-16 participated in closed-group experiential sessions and one-on-one counseling sessions.

A special gift package was created for employees returning from parental leave. This package included the Employee Guide on the Birth Process, which provides details of the legal rights, entitlements, and practices offered by the Bank to new parents, as well as resource books recommended by experts for children and parents.

Within the scope of Thematic Counseling Programs, seminars were organized for parents on topics such as Back to School, Parenting in the Digital Age, Adolescence, Financial Literacy, Breast Cancer Awareness, The Effect of Breathing on Our Lives, and Quality Sleep.

To support our employees in increasing their financial awareness, learning about investment products, and managing their assets effectively, three separate sessions were organized as part of the Financial Well-Being program, with economists, investment product consultants, and an entrepreneur specializing in financial literacy. The Financial Well-being Development Journey, established to support further development through digital training following the sessions, was published on the Partnering for the Future platform.

During Healthy Living Week, 10 different events were organized, including yoga, meditation, breast cancer awareness activities, healthy snack demonstrations, and experiential workshops.

The Bank plans to implement new programs to support training and development activities in 2026.

JOB OPPORTUNITIES PROVIDED TO STUDENTS AFTER INTERNSHIPS

TSKB carries forward the engagement it began with young talents during their university years and offers job opportunities.

In 2025, under the TSKB Effective Career brand, 31 long-term interns were employed part-time at the Bank. The buddies assigned to the interns within the program facilitated their adaptation process.

Interns were enabled to participate in the Certified Intern Academy training through the training platform. During the period, five interns joined the Bank as full-time junior associate.

AN ORGANIZATION GROWING WITH NEW EMPLOYEES

TSKB, which is growing with new employees, continued its recruitment activities during the reporting period.

A total of 51 people joined the Bank, including 18 new graduates and 33 experienced hires to meet the needs of different departments.

Orientation and mentoring processes were implemented to ensure that new employees adapt to TSKB as quickly as possible.

As part of the 12th TSKB Career Workshop program, organized to recruit new graduates to the Bank, 14 Assistant Specialists joined the Bank.

Training was planned during the year to contribute to the professional and personal development of new graduates. The Human Resources Buddy practice continued to accelerate the adaptation and orientation processes of MTs who joined the Bank through the TSKB Career Workshop.



TSKB conducts meditation programs, an employee assistance program, psychological counseling services provided by a licensed clinical psychologist, themed webinars, and holistic health activities conducted with a physical therapist to support employees' work-life balance.

REMUNERATION MANAGEMENT

Remuneration management at TSKB is carried out in line with the principle of equal pay for equal work, as regulated in the remuneration policy.

Gender is not a factor in compensation decisions, and employees who perform similar work receive similar pay. Since employee demographics and seniority distribution can have a differentiating effect on the overall level of median wages for men and women, the gender pay balance is continuously and carefully monitored on a position and gender basis. As of year-end 2025, the median wage ratio of women to men is 0.04.

TSKB implements a competitive remuneration policy that is responsive to the market dynamics. In addition to internal dynamics, current market data is also taken into account when determining wage levels. In this context, support is obtained from independent consultants who are subject-matter experts, and regular compensation market surveys are used.

The Remuneration Policy, which applies to all TSKB employees including managers, serves the Bank's goals of attracting competent individuals with the required skills and qualifications and retaining existing employees. The Bank pays an annual bonus to employees who, in addition to adhering to the principle of gender equality, comply with risk management frameworks and uphold ethical values.

WORK MODEL AND LOCATIONS

TSKB applies a hybrid working system that offers its employees the opportunity to work from the office two days a week and remotely for three days a week, in line with the changing conditions of business life. Employees of the Bank's Information Technology Unit are offered the option to work remotely on an ongoing basis and/or from outside the city.

In 2025, the average hybrid work rate was 49%.

The Bank implements a Flexible Work Model that allows employees to arrange their working hours flexibly according to their personal needs and productivity. This model supports productivity and flexibility in the work environment by providing the opportunity to work in different time zones.

The Ankara Office, structured as a second campus and development base within the scope of TSKB's business continuity goal, commenced operations on August 15, 2023. As of year-end 2025, the number of employees at the Ankara Office, including subsidiary employees, stood at 56.

RENEWED CAREER ARCHITECTURE

As part of the HR consultancy on skills-focused career management, the first phase of which was completed in 2023 and the second in 2024, studies were conducted with Mercer Türkiye on

organizational benchmarking, job evaluation, development of sub-job families and a new job title structure, career management, updating the technical knowledge and skill set, and identification of role-based critical experiences. Subsequently, to deepen technical expertise and retain qualified employees, a Horizontal Career Path model was introduced, in addition to the Managerial-Technical Career Path, which rewards technical knowledge and expertise in managerial and senior-level positions. Today, the career management process is tracked through the digital Development Portal. Technical Knowledge and Skills, the TSKB Competency Set, and Critical Experiences were made available to employees on a single screen. In addition, by analyzing the choices made by employees for their development planning through the platform, the flow of catalog training open to general participation was planned in line with these topics.

As a continuation of the Skills-Focused Talent Management efforts, a skill-based reward model is being developed to make the contribution of our employees' certified knowledge and skills to the Bank more visible and measurable. Thus, the aim is to create an objective and sustainable evaluation and reward structure that concretely recognizes competencies within the organization. Work has begun on designing a title-based Development Academy Training Program aimed at preparing our human resources for strategic thinking, leading with a coaching approach, creating internal synergy, establishing a common behavioral culture, and developing the competencies needed for the future.

To develop technical knowledge and skills and to strengthen the internal learning culture, it is planned for TSKB employees who are experts in their fields to go through an internal trainer certification process and be positioned as active internal trainers within the organization.

TSKB aims to enhance the level of digitalization in its human resources practices with new projects in 2026.

BACKUP ACTIVITIES

At TSKB, succession planning activities are carried out for critical positions identified to ensure managerial continuity. The knowledge and skills library, supported by the Development Portal infrastructure, has begun to be used as a resource for succession planning activities in preparation for the future. Development planning for potential needs is conducted by analyzing plan outputs on the portal.

With the Internal Transfer practice, horizontal career movements are supported to develop the job diversity, technical knowledge, skills, and competencies of TSKB employees.

In 2025, 13 full-time employees and 2 part-time employees changed departments through internal transfers, while 5 full-time employees had the opportunity to gain experience in different departments through rotations.

REWARD AND RECOGNITION MECHANISMS

TSKB is implementing new models to increase its competitive strength, the quality of its human capital, and employee loyalty by incorporating globally recognized reward and recognition mechanisms from around the world into its practices.

In 2025, employees who achieved exceptional results in the following categories were recognized:

- Profit Makers
- Business Transformers
- Creative Innovators
- Digitalizers

In 2025, 309 TSKB employees were recognized under the employee recognition program.

USER-FRIENDLY AND DIGITALIZING HR APPLICATIONS

As part of its digitalization efforts to ensure end-to-end tracking of human resources processes, make relevant applications more user-friendly, identify needs, and increase transparency, TSKB completed the implementation of its HR Digital Platform, Prizmatik, across all functions in 2022.

In 2023, the Platform was updated with a more digital look and feel. Access to internal human resources applications was facilitated by enabling document and payroll requests to be submitted with e-signatures.

In addition, the training and development management system was made accessible to employees, and the evaluation screens of the performance management system were improved.

As part of the Reflex mobile application launched to disseminate and transform the Bank's culture of real-time, effective feedback and recognition mechanisms, measures were implemented to facilitate the onboarding of new employees and to raise awareness of the applications.

On the Reflex platform, all relevant information on human resources practices was consolidated in a single location.

The TSKB DocHub project, developed with the goal of end-to-end digitalization of candidate management, recruitment, and onboarding processes, was completed and implemented as of 2025.

Within the scope of the project, all documents related to the onboarding process began to be collected digitally from candidates and were integrated into employees' digital personnel files. On their first day of employment, new hires digitally approve the required documents via DocHub; all records related to the processes are securely retained in digital form. This application marked a significant transformation in corporate processes in line with the Bank's paperless banking vision.

As part of the 2025 digitalization efforts, robotic process automation systems were deployed. In this context, processes related to life and health insurance policies submitted by employees were integrated.

Policy receipts from employees are automatically read by robots and transferred directly to the payroll system each month. This has reduced the need for manual transactions, accelerating processes and increasing operational efficiency.

As part of the efforts to digitize employee personnel files, approximately 1,000 personnel files, including those of former and current employees, were transferred to the digital archive system. This allows for fast and secure access to employee personnel files via DocHub. DocHub also provides a centralized digital archive infrastructure, reducing the need for physical archives and contributing to more effective process management.

With the Document Submission Transactions tab added to the HR Online platform, employees can easily submit new documents such as proof of residence, identity cards, etc., digitally to the Human Resources team.

Documents uploaded to HR Online are securely stored via the DocHub infrastructure, and document management processes are effectively carried out under a centralized and digital structure. A corporate discount platform, valid across multiple categories and numerous brands, was launched. Through this platform, employees were granted access to preferential offers in various areas of need.

As of 2025, operational processes were standardized by handling leave cancellation procedures via the general correspondence channel. This arrangement reduced the manual workload of the Human Resources management team, made resource utilization more effective, and increased organizational efficiency. By making requests for consular letters, assignment letters, and employment certificates accessible via HR Online with an electronic signature, the relevant processes were digitized and standardized, resulting in improved operational efficiency.

A digital platform, enhanced with a business intelligence infrastructure, has been implemented to monitor human resources metrics in real-time and periodically; department-based employee numbers, recruitment and turnover data, and demographic information are effectively tracked through this structure. Work on training and other advanced analysis modules is ongoing to expand the platform's scope. To improve the candidate experience in the recruitment process, plans are underway to update the interface, integrate artificial intelligence support into interview processes, and automate operational tasks to ensure efficiency.

In 2026, TSKB aims to further enhance the level of digitalization of its human resources practices through new projects.

DISASTER MANAGEMENT AND OCCUPATIONAL HEALTH AND SAFETY

In 2025, critical actions were taken in Disaster Management and Occupational Health and Safety, viewed as a strategic investment to prepare the institution for the future. Through employee-focused projects, numerous new initiatives were launched to prepare life-support measures for essential needs such as food, supplies, and equipment; to foster a corporate culture with a high level of earthquake awareness; and to raise employee awareness.

- An early warning system was installed in the Bank's buildings to receive notifications before potential moderate and high-intensity earthquakes in the Marmara Region.
- A contract was signed to procure call center services to establish alternative post-disaster communication channels and to enable more effective communication with employees, and the system was set up.
- To enhance security on the Bank's premises, roller shutters were installed on the buildings at the front and rear.
- Structural improvements were made to fire extinguishing systems and emergency exits.
- The Emergency Assistance Support Network (AYDA) application, developed with the Bank's internal resources, was launched as a system that enables uninterrupted employee communication in the initial phase.
- Individual Preparation for Earthquake Scenarios training sessions and Practical First Aid training, which included case studies, were conducted for certified first-aid teams included in the TSKB Emergency Plan.
- All of these developments and improvements were successfully tested in system-based drills with employee participation conducted in September (fire) and November (earthquake).
- The ISO 45001 Occupational Health and Safety Management System certification audits, in which all our occupational health and safety practices were evaluated against international standards, were completed with no findings.

TSKB TECHNOLOGY AND ENTREPRENEURSHIP PLATFORM

As part of the 2025 activities of the TSKB Technology and Entrepreneurship Platform, established in 2018 in collaboration with the Türkiye Entrepreneurship Foundation (GirVak) to keep pace with the rapid changes in the world and develop new ways of doing business and innovative perspectives, an inspiration session was held with Ilgın Özdemir Yazgan, founder of Accouchee, specifically for International Women's Day on March 8.

In 2025, Türkiye's first Venture Builder program in the financial sector was established in collaboration with the Türkiye Entrepreneurship Foundation. The Venture Builder program aims to both provide structure to startups from early stage and to grow the existing products of advanced-stage entrepreneurs with an impact and investment focus, across two different application periods. Through TSKB Co-Venture, the application period for high social-impact startups that are investment- and market-ready in the fields of climate, health, education, and disaster technologies, aimed at contributing to Türkiye's sustainable future goals, has been completed. Interviews were conducted with 36 founder teams, and the orientation process was initiated with the 15 selected teams.

2025 REFLEX PLATFORM STATISTICS

During the year, feedback from TSKB employees was compiled through 22 different surveys. Reflex's new feature, the Internal Communication module, was launched. Employees demonstrating the highest levels of recognition and feedback exchange via Reflex were recognized and rewarded.

Surveys conducted among TSKB employees

7	Motivation	
3	Work Environment	
2	Emotional Well-being	
3	Feedback	
3	Trust Environment	
4	Team Effectiveness	

STRONG EMPLOYER BRAND

In 2025, as part of its strong employer brand efforts, 65 collaborations were carried out with 28 universities, including 27 club events, 17 class sessions, 14 speaking engagements, 2 career fairs, and 5 TSKB Programs. Ninety-five employees participated in collaborations as brand ambassadors representing TSKB.

In seminars and classes where content was determined based on student needs, in addition to technical explanations, the real-world applications of academic knowledge learned at school were conveyed to students. Collaborations with target universities were maintained. Promotional activities aimed at the target employee group were held at events hosted by various university clubs.

The 13th Sustainability Workshop was held in 2025 to increase students' sustainability literacy. Twenty-one students from nine different universities and seven different departments within the target audience attended the workshop held at the Bank.

Specifically for TSKB's 75th anniversary, the Finance of the Future Academy, an online training and mentorship program, was launched. A total of 818 applications from 110 different universities and 85 different departments were evaluated, and 75 students were included in the program.

Additional quotas were provided for students with disabilities and TEV scholarship recipients. Following the technical training and career talks held throughout July, participants who successfully completed the program were provided with mentorship support by TSKB volunteers.

Under the umbrella of the Inclusive Employer Brand, a certified online training program called Career Together was designed for university students and recent graduates with hearing impairments.



The program, structured around the theme of preparing for professional life, included topics such as conflict management in business, negotiation and persuasion styles, corporate image, and interview communication. To ensure the program's accessibility, the technical instructor was accompanied by a sign language interpreter providing real-time interpretation.

The Bank planned the "TSKB Yanında" program to bring its inclusive approach to campus on the occasion of its 75th anniversary. In collaboration with a platform offering online therapy, university students were provided with free access to one-on-one psychological counseling sessions. This collaboration supported students in increasing their self-awareness, strengthening their emotional resilience, and enhancing their psychological well-being.

EMPLOYEE SATISFACTION

TSKB values transparent communication with its employees, keeping feedback channels active, and ensuring greater interaction. With this understanding, employee satisfaction and engagement levels are measured through the annual Employee Satisfaction Survey. Employees are given the opportunity to share their thoughts and suggestions. In 2025, 439 employees participated in the Employee Satisfaction Survey, raising the participation rate to 94%, compared to 90% in the previous year.

KEY FINDINGS OF THE EMPLOYEE ENGAGEMENT SURVEY



Topics with the highest scores in 2025 compared to the previous year

- Satisfaction with Senior Management
- Talent and Staffing
- Satisfaction with Immediate Supervisor
- Recognition and Reward
- Performance and Productivity



TSKB's strengths

- Occupational Health and Safety
- Equal Opportunities
- Performance
- Appraisal Approach to Gender Equality
- Employee Health and Well-being
- Employee Assistance Programs

QUESTIONS THAT RECORDED THE HIGHEST RESULTS COMPARED WITH OTHER SECTORS, PRIMARILY IN THE BANKING SECTOR

During the performance management process, my immediate supervisor discusses my strengths and areas for development with me and provides guidance for my growth. I am encouraged to develop new ideas that contribute to the company's success.

This company is considered one of the better employers for someone with my skills and experience.

I can easily explain the attractive aspects of working here compared to other institutions and companies.

- Senior management creates excitement about our company's future.
- This company actively supports the development of its employees.
- We prepare our workforce to succeed in the constantly changing business world.

INTELLECTUAL AND MANUFACTURED CAPITAL

Target

Performance

Continue to contribute to impact-driven initiatives with relevant ministries, regulatory bodies and institutions in line with our mission and medium- to long-term development goals, as the Bank and its subsidiaries	Stakeholder Engagement Activities with Public and Private Sector Representatives, Including the TBB Sustainability Working Group, Regulatory Developments by Supervisory Authorities, Contribution to Sectoral Action Plans
Support clients' investment strategies—particularly in energy investments for internal consumption within the scope of sustainability and green transition investments aligned with the Green Deal—through financial, technical and economic expertise, in line with a development banking perspective	Significant Share of Revenues from Advisory Services for Renewable Energy Investments and Green Transition Projects within Total Revenue
Contribute clients' access to sustainable finance through feasibility, financial and technical reports	Financial strategy and feasibility studies prepared to support companies' access to sustainable finance and incentive mechanisms, as an alternative source of funding, to be presented to financial institutions and public authorities
Maintain the Net Promoter Score (NPS) for Advisory Services at 9 or above	High-Quality Advisory Services Achieving a Customer Satisfaction Score Above the Target Level (9.5/10)
Publish two Ekosisteme Dair (Ecosystem Review) papers to draw attention to the ecosystem crisis and to support intellectual capital through up-to-date developments	In 2025, a total of four "Ecosystem Review" papers were published in Turkish and English in March and September, focusing on "Social Transformation" and "Regenerative Agriculture" from an ecosystem crisis perspective. ✓
Publish two reference reports in the TSKB Development Perspective category, focusing on macroeconomics and development	Three reference reports focusing on macroeconomics and development were published under the TSKB Development Perspective category. ✓
Deliver 50 awareness-raising presentations to 20 different companies on ecosystem, development and macroeconomics within the scope of advisory services	A total of 95 awareness-raising presentations were delivered to 34 companies on ecosystem, development and macroeconomic themes as part of advisory services.
Transform the digital IT systems infrastructure across all business lines with the latest technologies to enhance synergy and efficiency	Application infrastructure transformations resulted in a gain of 2.84 person-years.
Place digitalization at the core of the business model, increase end-to-end digital solutions, and achieve full-time employment gains equivalent to 13 person-years by improving user experience	Digitalization initiatives resulted in efficiency gains equivalent to 23 person-years.
Establish the Türkiye Green Fund and invest in green and green technology-focused companies that contribute to the country's net zero target	An investment was made in one company.
Increase the number of projects carried out with our sustainability advisory subsidiary Escarus by 10%, the number of institutions contacted for proposal development by 5%, and the number of budgeted proposals submitted by 5%	Projects conducted increased by approximately 33%, institutions engaged by 10%, and budgeted proposals submitted by 7%
Participate in projects that expand corporate sustainability awareness and practices across Türkiye, support the cross-sectoral development of sustainability know-how, and enhance public-private sector collaboration	Three projects were carried out abroad. Public-private partnership projects are being monitored, and applications are submitted where deemed appropriate.
Escarus, an accredited advisory firm authorized under the "Responsible" program led by the Ministry of Trade, will continue to support the real sector's alignment with the European Green Deal in 2025 through the additional responsibilities it will undertake within the scope of the program	Phase I advisory services were provided to various sectors under the Responsible program.
Achieve a top-three position in the sector with our subsidiary Gayrimenkul Değerleme, reach 200 new clients, and maintain a 60% conversion rate of incoming requests into contracts	With our subsidiary Gayrimenkul Değerleme, we ranked among the top five in the sector, acquired 321 new clients, and achieved a 61% conversion rate of incoming requests into contracts.



FUTURE TARGETS

- As the Bank and its subsidiaries, continue to contribute to impact-driven initiatives with relevant ministries, regulatory bodies and institutions in line with our mission and medium- to long-term development goals.
- Support clients' investment strategies from a development banking perspective—particularly in energy investments, including renewable energy storage, and green transition investments under the Green Deal—by providing financial, technical and economic expertise.
- Conduct feasibility studies for projects supporting national development, including those of companies applying for incentive schemes under new industrial policies.
- Facilitate clients' access to sustainable finance through feasibility, financial and technical reporting.
- Maintain an NPS of 9 or higher for Advisory Services.
- Publish one Ekosisteme Dair (Ecosystem Review) paper to draw attention to the ecosystem crisis and to support intellectual capital with current developments.
- Publish three reference reports under the TSKB Development Perspective category, focusing on macroeconomics and development.
- Publish one issue of the "Sanayiye Dair (Industry Review)" magazine to reflect industrial policy and social capital perspectives.
- Deliver 55 awareness-raising presentations to 20 companies on ecosystem, development and macroeconomic themes within the scope of advisory services.
- Drive the transformation of digital IT infrastructure across all business lines using state-of-the-art technologies to enhance synergy and efficiency.
- Position digitalization at the core of the business model, expand end-to-end digital solutions, and improve user experience to achieve efficiency and employment gains.
- Integrate artificial intelligence into the Bank's culture as part of the digital transformation strategy and conduct awareness initiatives to enhance AI literacy among employees.
- Leverage Generative AI (GenAI) solutions to accelerate access to institutional knowledge and improve efficiency in operational processes.
- Increase the number of projects conducted with our sustainability advisory subsidiary Escarus by 10%, the number of institutions engaged for proposal development by 5%, and the number of budgeted proposals submitted by 5%.
- Engage in projects that promote corporate sustainability awareness and practices across Türkiye, foster cross-sectoral knowledge development, and strengthen public-private sector collaboration.
- Continue to support the real sector's alignment with the European Green Deal under the "Responsible" program led by the Ministry of Trade through additional responsibilities undertaken.
- Participate in a public project supporting Türkiye's climate change and climate finance policies during Türkiye's COP31 presidency period.
- With our real estate appraisal subsidiary, rank among the top five in the sector, acquire 200 new clients, and achieve a 60% conversion rate of incoming requests into contracts.

INTELLECTUAL AND MANUFACTURED CAPITAL

TSKB's policies and standards in the field of information security are determined in line with the Bank's corporate strategy and in accordance with national and international legislation, standards, and best practices.



The transition audit for the current ISO 27001:2022 version was successfully completed in 2025.

INFORMATION SECURITY

To ensure business continuity securely and focus on its business objectives, TSKB establishes a robust framework safeguard all its Information Technology (IT) assets, including employees, processes, and technology. The Bank's goal in this context is to continuously monitor new and advanced security systems and implement the most effective security solutions.

The Bank's information security policies and standards are determined in line with the Bank's corporate strategy and in accordance with national and international legislation, standards, and best practices.

In 2021, aiming to have the adequacy of its information security management system assessed and certified by an expert organization, TSKB completed the relevant process and obtained ISO 27001 certification. In 2025, information security management system activities were reviewed as part of the periodic ISO 27001 audit, and the transition audit for the current ISO 27001:2022 version was successfully completed. Work related to areas for improvement is being carried out effectively.

Regarding the detection of security risks, TSKB's information security teams conduct regular vulnerability scans; annual penetration tests are carried out by independent audit firms; cyber drills, payment systems compliance audits, tabletop exercises, and information systems process audits are also conducted within the scope of BRSA regulations.

The human factor plays as significant a role as technical measures in ensuring security. The aim is to disseminate the established information security policies and standards and the security culture throughout the Bank, and to ensure that all employees share responsibility for security.

In this context, employees are provided with training, information is shared via the information security section on the Bank's

internal portal, and awareness campaigns are conducted. Clean desk checks are performed, and phishing attack simulations are carried out.

The Bank also expects that its suppliers maintain a diligent approach to information security compliance and awareness. Suppliers' risk assessments are conducted, and their performance is regularly monitored. While information security clauses are included in supplier agreements, suppliers with access to TSKB's network are required to complete information security awareness training.

A comprehensive information security governance structure has been established to ensure sustainable, measurable, and effective security management throughout the institution in the field of information security. The TSKB Information Security Management System is designed to protect the confidentiality and ensure the integrity of all types of information produced, collected, processed, stored, and transmitted by the Bank throughout its activities, and enables authorized persons to access information easily, quickly, and to enable authorized persons to access information easily, quickly, and accurately when needed. It has been established based on the international standard ISO/IEC 27001 and national regulations such as the Regulation on Banks' Information Systems and Electronic Banking Services.

An information Security Complaint and Whistleblowing Mechanism has been established accessible to both employees and external stakeholders within the institution. Potential violations, suspicions of misconduct, or security vulnerabilities are promptly assessed and recorded. Furthermore, all processes related to the processing, storage, transfer, and anonymization of customer data have been defined in compliance with the Law on the Protection of Personal Data (KVKK), banking legislation, and the institution's data classification policies; access rights have been restricted based on the "need-to-know" principle.



By systematically managing information security, a critical component of its intellectual and manufactured capital, the institution strengthens both customer trust and its corporate reputation.

HIGHLIGHTS FROM INFORMATION SECURITY EFFORTS IN 2025

- To ensure preparedness for responding to cyber incidents and to test the adequacy of the security monitoring service received, one cyber drill was conducted with an external firm, and four additional drills were carried out internally by the Information Security and Quality Directorate. Based on the results, the Information Security and Quality Directorate and the System Support and Operations Directorate worked together to address the identified areas for improvement, and the necessary actions were taken. The accuracy of these actions subsequently tested.
- In addition to internal penetration tests conducted to identify and remediate security vulnerabilities before they can be exploited, technical infrastructure improvements were implemented by expanding the scope of vulnerability scanning activities.
- As a result of the audit conducted by a consulting firm to determine the compliance of the SWIFT infrastructure and related processes with the SWIFT Customer Security Program, TSKB's infrastructure and systems were confirmed to be compliant with the expected standards.
- Surveys were conducted to measure employee satisfaction levels with the services provided by the Information Technology units, Technology Units, and the results were monitored.
- TSKB's goal for 2026 is to strengthen its security infrastructure and further increase the automation and efficiency levels of its control and monitoring processes.
- In addition to procuring new products to enhance the security infrastructure, the aim increase the overall maturity level by conducting hardening and optimization work on the existing infrastructure and to improve the effectiveness and efficiency of periodic control processes by strengthening the automation infrastructure.

TSKB's goal for 2026 is to strengthen its security infrastructure and further increase the automation and efficiency levels of its control and monitoring processes.



The scope of vulnerability scanning activities was expanded, and improvements were made to the technical infrastructure.

With more than 120 RPA processes deployed in the production environment, this has resulted in increased efficiency and enabled employees to focus on creating greater added value across different areas.



The Data Technologies and Artificial Intelligence Department was established to consolidate and more effectively manage TSKB's activities in data analytics and artificial intelligence under a single roof.

DIGITALIZATION AND INNOVATION

With its innovative approaches in information technology and digitalization, TSKB makes its processes more efficient and offers effective solutions to its customers. Digital transformation projects are treated as a strategic priority; technological advancements are integrated into every stage of operations to create value.

Integrating new technologies into business processes brings simplification, automation, and improved efficiency. Through the projects implemented, significant steps are being taken towards the goals of process improvement, automation, and digitalization.

In line with its strategy in AI-supported data analytics, TSKB continues its investments and efforts in this area. Ongoing efforts in the field of data analytics are strengthening decision-making mechanisms. A data-driven business model is utilized. Employee competencies are developed through training, and self-service analytics solutions are used.

In addition to increasing the digital maturity of its core banking processes, TSKB continues to offer solutions that provide a streamlined experience and integrated access. As part of evaluating opportunities in the technological ecosystem, work continues in areas such as robotic technologies, artificial intelligence applications, intelligent document processing, data analytics, automation systems, digitalization, and mobile applications. A technology plan centered on the Bank's strategic goals and corporate priorities is being implemented.

Process automation levels are being increased using technologies such as Robotic Process Automation (RPA), OCR, and machine learning. With over 120 RPA processes implemented in the production environment, additional employment gains are achieved, and employees

are enabled to create higher added value in different areas. Operational efficiency is increased by automatically processing and classifying documents using AI-supported methods. TSKB's goal is to improve customer and user experiences and increase efficiency by integrating artificial intelligence into its business processes. Ideas and projects that stand out in internal suggestion platforms and workshops are prioritized and implemented. In this regard, work in the fields of artificial intelligence and machine learning continues at the Bank. Efforts towards the responsible use of artificial intelligence are also important.

In line with the Bank's sustainable information technology strategy plan, the development of new applications and application modernization efforts are ongoing. Along with application transformations, improvements in user experience and automation in manual processes are being achieved. Through technology renewal and infrastructure-strengthening activities, risks posed by outdated technologies are mitigated, maintenance costs are reduced, and business units report increased satisfaction and efficiency.

BUSINESS CONTINUITY MANAGEMENT

As part of Business Continuity Management (BCM), targeted training and awareness activities are provided to employees at TSKB's Ankara Development Base to minimize the impact of potential regional disasters and to ensure geographic redundancy. Across the Bank, activities related to regulatory compliance, training and awareness activities, crisis management, emergency testing, and the operation of the production environment from the emergency center were carried out. Simulations tailored to business continuity management teams and studies on emergency response technologies are being carried out using various scenarios.

DATA TECHNOLOGIES AND ARTIFICIAL INTELLIGENCE

In line with its sustainable development goals, TSKB considers data one of its most valuable strategic assets and is implementing structures to transform this asset into intellectual and produced capital. Within this vision, the **Data Technologies and Artificial Intelligence Directorate** was established to consolidate and more effectively manage the Bank's activities in data analytics and artificial intelligence under a single roof.

The newly established department processes TSKB's extensive data pool using advanced analytical methods and machine learning algorithms, transforming raw data into strategic foresight. This structure aims to enhance the Bank's data-driven capabilities in decision-making and to develop models that directly add value to operational efficiency and risk management.

The Bank positions artificial intelligence technologies not merely as an "assistant intelligence" that strengthens corporate memory and supports its employees' analytical capabilities.

Especially, developments in Large Language Models (LLM) and Generative AI are being closely monitored, and work is being carried out to integrate these technologies into banking processes within a secure and ethical framework.

The work of the Data Technologies and Artificial Intelligence Directorate accelerates the digitalization of the Bank's intellectual capital, providing a more agile infrastructure for solutions that strengthen the decision-support mechanisms of business units and for sustainability-focused financial modeling.

TSKB ADVISORY SERVICES

TSKB Advisory Services delivers financial and technical advisory services, creating value for its clients in financial planning and strategy, feasibility studies, structuring, valuation, financing advisory services, sectoral analysis, technical due diligence, industrial transformation, energy and resource efficiency, and project-based incentive reporting. As part of its economic research, it also provides advisory services in macroeconomics, export strategy, and sustainable development analytics.

A portion of the services, shaped by an advisory banking approach, is delivered through synergistic collaborations with the Bank's subsidiaries, TSKB Real Estate Appraisal and Escarus.

Visionary advisory services in the real estate sector guide domestic and foreign investors.

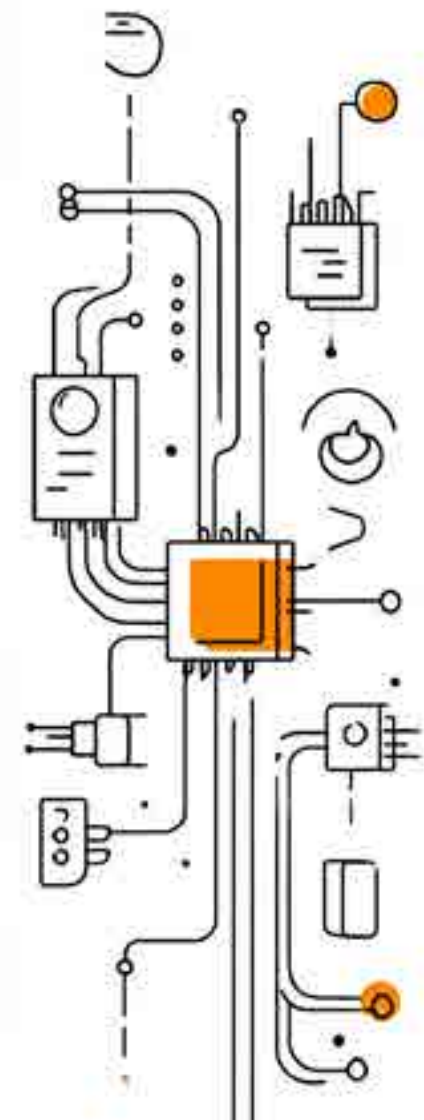
In the field of sustainability, the Bank participates with structured and specialized solutions in the process of integrating globally accepted approaches into Türkiye's business community.

In 2025, advisory services provided to sectors such as energy, iron and steel, metal and machinery, and chemicals, as well as to holding companies with diversified business lines, stood out.

The advisory activities provided were related to Sustainable Development Goals (SDGs) 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 12 (Responsible Consumption and Production), and 13 (Climate Action).

Net fee and commission income, which includes advisory services revenue, increased above the rate of inflation.

With its ability to provide multidimensional services, the Bank will continue to develop its advisory services and offer its experience and expertise to its customers going forward. Support for sustainable and robust development will continue to be diversified in the upcoming period.



TSKB Economic Research, the umbrella brand for TSKB's core areas of work, carries out research in three main areas: Macroeconomics and Markets, Development, and Energy and Resources.

434

Number of TSKB Economic Research publications ✓

TSKB ECONOMIC RESEARCH

TSKB Economic Research, an umbrella brand covering TSKB's core areas of activity, operates under three research headings: "Macroeconomics and Markets," "Development," and "Energy and Resources."

While the reports and presentations published by TSKB Economic Research support the Bank's funding, lending, marketing, treasury, advisory, communication, and representation activities, they also serve as a valuable tool for sharing information with its external stakeholders. In this way, the Bank supports external stakeholders' corporate transformations, helping to increase their competitiveness and thereby contributing to profitability and brand value.

In this context, 434 ✓ publications were published in 2025. Periodicals included:

- **TSKB Gündem**, which shares assessments of the daily news flow in macroeconomics, markets, and development,
- **TSKB Haftalık Gündem**, which contains a brief analysis of the previous week's economic developments and a short outlook for the coming week,
- **Makro Görüş**, which includes analyses and assessments of macroeconomic data,
- **Ecosystem Review**, which keeps its finger on the pulse of the agenda regarding the ecosystem crisis and is published twice a year,

- **Energy Bulletin**, which covers developments in the energy sector on a monthly basis in Turkish and English,
- **TSKB Development Insights**, which presents reference reports focused on macroeconomics and development, is included.

During the period:

- A study titled "No Room for Inequality in an Aging World" was published, which jointly addresses the impacts of gender inequality and demographic transformation.
- Following the earthquake disaster, as part of the three-year commitment made by TSKB Economic Research to increase disaster awareness and preparedness, a visit was made to the earthquake zone, and recovery efforts were observed on-site. The study titled "Raising the Future: A Human-Centered Breakthrough for Social Transformation in the Earthquake Zone," enriched by these observations, emphasized the importance of the concepts of "social transformation" and "the human element" in post-disaster recovery planning.
- The study "Industrial Afforestation from the Perspective of Industrial Policy" outlined a framework that aligns the perspectives of the ecosystem crisis, forestry, industrial policy, and development finance.
- Is it the "COP of Reality" evaluated, together with the pre- and post-COP periods, from a macro-development perspective? "The Reality of COP"? The report titled "What Remains from COP30" was shared with internal and external stakeholders.

ENERGY WORKING GROUP

The TSKB Energy Working Group (TSKB EWG), established in 2018, aims to transfer the experience gained in the energy sector, with contributions from 13 different disciplines of the Bank to internal and external stakeholders.

A 16-person team monitors the energy sector through reports published annually in Turkish and English and also examines and documents specific topics within the sector.

The reports published in 2025, titled “Smart Grids Briefing Note,” “Floating Solar Power Plant Briefing Note,” and “Agricultural Solar Power Plant Briefing Note,” provided stakeholders with a holistic overview of technologies that could come to the forefront in Türkiye’s energy sector in the coming years. The second “One Guest, Three Topics” event, a conversation with an expert from the energy sector focusing on three topics, was held this year in the Bank’s conference hall. The “One Guest, Three Topics” event, which covered hydrogen, critical minerals, and small modular reactors, aimed to share information, strengthen social capital, and integrate the views of experts with TSKB’s expertise. Continuation of activities is also planned for 2026.

TSKB BLOG

On the TSKB Blog, shaped by the Bank’s deep knowledge and experience, the Bank’s experts present insights on macroeconomics, the development agenda, sustainability, and inclusivity to a wide range of stakeholders—primarily business leaders and future managers.

In addition to covering the economic and financial agenda, the TSKB Blog publishes articles on international trends such as climate change, water efficiency, food security, digital transformation, Industry 4.0, the low-carbon economy, green transformation, social development, and artificial intelligence. Thus, while monitoring the development agenda, it also sheds light on the transformation experienced in different sectors of the industry.

In 2025, 18 new blog posts with different content were shared on the TSKB Blog.

TSKB LIBRARY

The TSKB Library, which began operations in 1971, offers a vast collection of national and international periodical and non-periodical publications to Bank employees, university students, academics, and researchers. As a comprehensive specialized library with a total of 65,000 books and articles, more than 100 print and online periodicals, and electronic databases, the TSKB Library houses numerous collections created from a broad perspective, ranging from women’s studies to sustainability and from books on Istanbul to children’s literature. The library also includes a collection of books on literature, politics, history, and personal and professional development.

The Bank, which has been creating lasting value with a focus on the United Nations Sustainable Development Goals (SDGs) for many years, aims to eliminate knowledge gaps, raise awareness, and provide a sustainable knowledge repository in this field through its Sustainability Collection, which offers in-depth information on environmental, social, and governance (ESG) issues in the TSKB Library. In addition to its print collection, it offers researchers access to an extensive sustainability-focused database through its subscription. This collection guides researchers and decision-makers in developing sustainability-focused solutions.

The Women’s Studies Collection contributes to building an equal society by disseminating knowledge and offering comprehensive resources on gender equality and women’s roles in economic and social life. This collection provides access to academic and practical information on topics such as women’s participation in the workforce, diversity in leadership, and gender equality.

With over 50 years of expertise in librarianship, TSKB continues its efforts to enrich its existing collections and create new ones in line with its focus areas.

TSKB LIBRARY COLLECTIONS

- Specialized Collection (Economics, Finance, Banking, Professional Development)
- Sustainability Collection
- Women’s Studies Collection
- Literature, History, Politics, and Personal Development Collection
- Law Collection
- Istanbul Collection
- Children’s Library

TSKB Real Estate Appraisal aims to continue its growth momentum in 2026 and to rank among the top three firms in the valuation sector.



TSKB REAL ESTATE APPRAISAL

TSKB Real Estate Appraisal, authorized by the CMB and BRSA, has been providing valuation services since 2002 for a wide range of properties, from land plots to business centers, factories to shopping malls, hotels to logistics facilities, and fuel stations to power plants. TSKB Real Estate Appraisal, which also holds an RICS license offering international service assurance and operates with three licenses, was the first real estate appraisal company in Türkiye to receive the ISO 9001 Quality Certificate and provides its services within the framework of the ISO 9001 Quality Management System. TSKB Real Estate Appraisal demonstrates strong international competence with its experts holding MRICS and Appraisal Institute designations, and aims to play a pioneering role in sustainability and green buildings with its LEED Green Associate and YES-TR certified experts.

In 2025, TSKB Real Estate Appraisal:

- In addition to valuation reports for collateral and special purposes, the Bank carried out comprehensive and high-quality studies such as apportionment and allocation of land value uplift for urban transformation projects, power plant valuations, port valuations, plan proposals, and market research.
- The Bank continued to expand its client portfolio, successfully completing many high-quality projects domestically, such as portfolio valuations, studies for initial public offerings, and highest and best-use determinations for reputable institutions and organizations. It also operated internationally, conducting valuation studies in five different countries. It formed a strategic partnership with an asset management platform that manages the leasing processes for portfolio

management companies, associations, foundations, and legal entities with large real estate portfolios to handle valuation requests.

- The CRM project, initiated in 2024, was taken to the next level in 2025 with the integration of proposal and contract processes into the system, marking a significant step in process management.
- The Bank continued to provide professional support, valuation, and advisory services to its business partners in managing their real estate and machinery investments by closely monitoring changes in prevailing real estate investment trends.
- The Bank continued to play an active role in industry events and in print and broadcast media, sharing its knowledge and expertise with broader audiences. During the year, in addition to more than 60 television guest appearances, the total number of digital mentions approached 600.

TSKB Real Estate Appraisal aims to continue its growth momentum in 2026 by ranking among the top three firms in the valuation sector. The Bank also aims to maintain its status as the institution where the most qualified real estate appraisal work in Türkiye is carried out.

PROMINENT MEMBERSHIPS

- RICS: One of the first companies from Türkiye to become members
- USGBC: The only valuation company from Türkiye that has been a member since 2016
- LİDEBİR: Membership in a sectoral association established by companies listed with the Capital Markets Board (CMB).

EQUAL OPPORTUNITY CERTIFICATES

TSKB Real Estate Appraisal, which continues its development in the social sphere with policies supporting gender equality, was awarded two different Equal Opportunity Certificates.

ESCARUS (TSKB SUSTAINABILITY CONSULTANCY)

Escarus began operations in 2011 and carries out projects focused on strategic sustainability, climate and carbon, and sustainable finance. It also conducts environmental and social assessment and monitoring for investment projects, implements energy and resource efficiency measures, and performs sectoral and thematic analyses focused on the green transition.

Escarus, which plays an active role in the preparation of TSRS reports, sustainability reports, integrated reports, and CDP reports, is proud to have completed numerous reference projects on topics such as Gender Equality Program Certification (CEPS) and sustainability-focused training, driven by a sense of social responsibility.

Escarus considers sustainability a concept that extends far beyond the environment and issues directly related to it, affecting society and the economy as a whole. Based on this approach, the Company addresses sustainability in a broad universe categorized by environmental, social, and governance themes, and shapes its activities accordingly.

While primarily executing projects with private sector companies, Escarus diversifies its client base each year and gains project experience in different regions with a view to serving public institutions and international organizations. In addition to the Turkish market, it continues to strengthen its brand value through global projects in various countries, including Africa, Eurasia, Eastern Europe, and the Middle East (Azerbaijan, Cameroon, Qatar, Kenya, Congo, Kosovo, Lebanon, Egypt, Senegal, Saudi Arabia, Zimbabwe).

According to the portfolio analysis for the 2023-2025 period, Escarus achieved a stable growth trajectory by expanding its client base by approximately 40% in three years and demonstrated strong operational capacity by reaching a total of 505 projects in the same period.

After being authorized as an accredited consultant in the Responsible Program conducted by the Ministry of Trade, Escarus actively began projects under Phase-1 as of 2025. While assessment and compliance studies have been completed for some of the companies in Phase-1, analysis processes following site visits are ongoing for others. Through these efforts, Escarus supports the real sector's compliance with requirements in sustainability, human rights, supply chain management, and corporate responsibility in line with the European Green Deal, and provides comprehensive technical advisory to meet the criteria expected within the Responsible Program framework. Thus, with its contribution to the practitioner ecosystem, it strengthens its position as one of the key stakeholders in the sustainable supply chain transformation in Türkiye with each passing day.

Escarus, which was elected to the ICMA Green Bond Principles (GBP) Advisory Council and working groups in 2019 and whose membership was renewed in 2021, 2022, 2024, and 2025, is a leading Türkiye-based company in its field that operates to provide a broader perspective on the green, social, and sustainable bond markets.

Escarus regards sustainability as a concept that extends far beyond environmental concerns and direct environmental matters, influencing society as a whole and the broader economy.

40%

Escarus' customer base grew by 40% over a three-year period.

KEY PROJECTS IN 2025**PROJECTS ABROAD****EBRD: Sustainability Training Program under the Capacity-Building Component of Supply Chains in Türkiye: Addressing Sustainability through Deeper Integration with European Value Chains**

As part of the European Bank for Reconstruction and Development (EBRD) program aimed at supporting the deeper integration of supply chains in Türkiye into European value chains, Escarus carried out the “Sustainability Training Program” to strengthen the institutional capacities of public institutions and development agencies in the areas of sustainability, sustainable finance, climate policy, and emissions management.

Within the scope of the project, a two-day online training was designed and implemented for the relevant general directorates of the Ministry of Industry and Technology and for Development Agencies across Türkiye. The training content covered a broad technical spectrum, including the fundamental concepts of sustainable development, global and national policy developments (Paris Agreement, EU Green Deal, Fit for 55, CSRD, CSDDD, TSRS), sustainable finance instruments, carbon management, and EU and Türkiye emissions regulations.

In the program, which was conducted with a participant-focused, hands-on methodology, Escarus played an active role in all components, such as creating the training design, preparing training materials, developing case studies, facilitating participant interactions, and managing feedback processes.

The project outputs included a detailed training plan, presentation sets, and a results document regarding participant lists.

World Bank: Future Proofing Greenhouse Gas MRV Systems - Assessing Compatibility of Emerging MRV Systems Against International MRV Frameworks, Including the EU CBAM

As part of a study conducted by the World Bank and led by Ricardo Energy & Environment, Escarus provided technical contributions to assess the compatibility of emerging MRV (Monitoring, Reporting, and Verification) systems at the national and sectoral levels with global standards.

The project aimed to analyze the level of compliance with various international reporting frameworks, particularly the EU Carbon Border Adjustment Mechanism (SKDM/CBAM), and to provide technical input for the World Bank’s PMI (Partnership for Market Implementation) program.

Within the scope of the study, a literature review of global MRV practices was conducted, a comparative assessment framework was developed, and the MRV systems of countries such as South Africa, Türkiye, Guangdong (China), India, and Mexico were evaluated using a multi-criteria analysis method.

Escarus conducted a comprehensive data compilation on Türkiye’s national MRV system, comparative analyses against five different international reference frameworks, and reviews to ensure the technical accuracy of the assessment report.

The project outputs included the assessment framework, country analysis reports, and a final assessment report summarizing the findings.

African Development Bank: Energy Sector Reform Support Project (ESRSP)-Consultancy Services to Carry out Energy Efficiency Program Design

Escarus contributed to the “Energy Efficiency Program Design” study, which aims to increase energy efficiency in public buildings and strengthen the country’s institutional capacity in Zimbabwe, as part of the Energy Sector Reform Support Project financed by the African Development Bank. The project consisted of two main components: conducting detailed energy audits in twenty high-energy-consumption public buildings and a comprehensive review of the Zimbabwe National Energy Efficiency Policy (NEEP 2025).

The energy audits were conducted within a methodological framework compliant with ISO 50002 and the European Union’s Energy Performance of Buildings Directive (EPBD). Elements such as the building envelope, lighting, HVAC systems, energy supply structure, and user behavior were analyzed to determine current performance, and energy efficiency measures were developed under three different investment scenarios. The policy review was conducted based on the scope, institutional structure, implementation capacity, and level of compliance with international best practices of NEEP 2025, resulting in institutional and regulatory recommendations to strengthen the country’s energy efficiency governance.

In the project, Escarus supported the consolidation of energy audit results, contributed to technical studies for the policy review, and assisted in the preparation of the stakeholder workshop. The outputs of the study included standardized study reports, a policy gap analysis, findings from international comparisons, a set of recommendations, and documents reporting stakeholder workshop outcomes.

PROJECTS FOR INDUSTRY ASSOCIATIONS

Kosovo Çalık Limak Energy (Limak KEDS): Sustainability Report Project, Kosovo

Escarus is conducting studies for Kosovo Çalık Limak Energy (Limak KEDS), which provides electricity distribution services throughout Kosovo, to support the Bank's reporting of its sustainability performance within a framework that complies with international standards.

The sustainability reporting, prepared to increase transparency in the energy distribution sector and make the environmental, social, and governance impacts of its activities more measurable, is structured based on the Global Reporting Initiative (GRI) Standards.

Work on the 2024 Sustainability Report, which will reflect Limak KEDS's current sustainability indicators, performance trends, and strategic priorities for the sector's transformation, is being carried out by Escarus, with a comprehensive reporting process being conducted within the framework of data accuracy, accessibility, and international comparability criteria.

Through this work, Escarus continues to help strengthen transparency in corporate sustainability in Kosovo's energy sector.

Turkish Cement Manufacturers' Association (TÜRKÇİMENTO): Sustainability Report Project

Escarus is conducting studies for the Turkish Cement Manufacturers' Association (TÜRKÇİMENTO) to prepare Sustainability Reports that comprehensively present the sector's sustainability performance in a data-driven manner. The 2025 Sustainability Report, prepared with contributions from TÜRKÇİMENTO's integrated member facilities, has been completed and comprehensively addresses the sector's development in environmental, social, and governance areas, investments made within the scope of the transition to a low-carbon economy, and compliance processes with critical regulations such as the Carbon Border Adjustment Mechanism (CBAM) and the Turkish Sustainability Reporting Standards (TSRS).

Customized Reporting

Thanks to its competence in providing services tailored to needs and demands, Escarus has carried out various reporting projects with different institutions and organizations.

Financial Sector Projects

Escarus continued its active support for the financial sector by broadening its scope of activities and, in this context, implemented various projects with banks, participation banks, investment companies, and reinsurance companies.



ESCARUS IN 2026

Within the framework of its 2026 targets, Escarus aims to:

- Maintain a domestic consulting structure that can respond to the needs of public and private sector institutions at home and abroad, to share its expertise with institutions using foreign funds so they can maximize the value of those funds, to increase its service exports, and to maintain a global presence,
- Strengthen the Bank's role as a thought-leader consulting firm in building capacity for climate change and climate risk management in Türkiye and the surrounding region,
- Develop methodologies for financial institutions and the real economy to integrate climate risks (physical and transition) and, more broadly, sustainability risks into their credit, investment, and corporate risk management processes; and provide technical support for scenario analysis, stress testing, risk mapping, and risk appetite assessments aligned with regulatory frameworks such as TSRS, TCFD, ETS/CBAM, and the Taxonomy,
- Provide in-depth technical advisory services at the policy, legislation, and implementation levels for both financial institutions and the real sector in areas such as TSRS reporting, climate disclosures, and ETS and CBAM compliance processes,
- Deliver sustainability-focused technical, environmental, social, and governance advisory services to a broader audience, to continue operating with an approach that places sustainability at the center of all its technical and financial solutions, and to increase the number of its projects and broaden its sphere of influence.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

170	Board of Directors
174	Senior Management
176	Directors
177	Corporate Governance Compliance Report
181	Dividend Distribution Proposal
182	Summary Report of the Board of Directors
183	Other Major Updates on Corporate Operations
184	Risk Management Policies
186	Audit Committee
187	Audit Committee Report
190	Advisory Committee
191	General Assembly Agenda
192	Declaration of Independence
193	Statement of Responsibility

**THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT**





BOARD OF DIRECTORS



HAKAN ARAN

Chairperson of the Board of Directors

Born in Antakya in 1968, Hakan Aran graduated from the Faculty of Engineering, Computer Engineering Department of the Middle East Technical University. He completed his master's degree in Business Administration at Başkent University and he is currently continuing his PhD in Banking at İstanbul Commerce University. Beginning his career at İşbank as a Software Specialist in 1990, Mr. Aran was appointed as the Head of Software Development Department in 2005. He was promoted to the position of Deputy Chief Executive responsible for operations, digital banking and technology in 2008 and took part in important transformation programs of the Bank. Since 1 April 2021, Mr. Aran serves as İşbank's 17th Chief Executive Officer. In August 2024, Mr. Aran has also been appointed as the Chairperson of TSKB.



ECE BÖRÜ

Vice Chairperson of the Board of Directors
Chairperson of the Audit Committee
Corporate Governance Committee Member
| Sustainability Committee Member | Risk
Committee Member

Ece Börü was born in İstanbul in 1966 and graduated from Management Engineering Department of İstanbul Technical University in 1988. Ms. Börü joined TSKB as an assistant specialist in Financial Control Department in 1989. She was promoted to Head of Financial Control in 2000 and to Head of Board of Internal Auditors in 2006. Serving as Executive Vice President between 2013-2020 and as Chief Executive Officer and member of the Board of Directors between August 2020 and April 2022 Ms. Ece Börü was elected as the Vice Chairperson of the Board of Directors on April 7, 2022.



OZAN UYAR

Board Member and Chief Executive Officer
Credit Revision Committee Member |
Sustainability Committee Member | Risk
Committee Member

Born in Eskişehir in 1974, Mr. Ozan Uyar graduated from the Department of Business Administration at Middle East Technical University, Faculty of Economics and Administrative Sciences. Mr. Uyar began his professional career in 1997 as an Assistant Auditor at the Internal Audit Department of Türkiye İş Bankası A.Ş. Working as Assistant Manager and Department Manager in the Commercial Loans Allocation Department of Türkiye İş Bankası A.Ş. between 2006 and 2015, Mr. Uyar assumed the roles of Loans Portfolio Management Manager in 2015, Corporate Banking Marketing and Sales Manager in 2017, Corporate Loans Allocation Manager in 2020 and Project Finance Manager in 2021. Mr. Uyar worked as a manager at İşbank's corporate branches between 2022 and 2025. He was appointed as TSKB's Executive Vice President for Loan Allocation, Financial Analysis and Loan Operations on January 21, 2025. As of 01.08.2025 Mr. Ozan Uyar will serve as CEO and Member of the Board of Directors of TSKB.

**MURAT BİLGİÇ**

Board Member

Credit Revision Committee Member |
Sustainability Committee Member

Born in Ankara in 1968, Murat Bilgiç graduated from the Department of International Relations of the Faculty of Economics and Administrative Sciences of Middle East Technical University in 1990 and then received a master's degree in Money-Banking-Finance from the University of Birmingham. Having completed the Management Program at Manchester Business School and Advanced Management Program at Harvard Business School, Murat Bilgiç started his career as Assistant Inspector at the Board of Inspectors of İşbank in 1990. Bilgiç was appointed Vice Manager in the Corporate Loans Allocation Department in 1999, Regional Manager in the same department in 2002, Head of the Department in 2008. He was appointed Deputy Chief Executive of İş Bankası on March 25, 2016. Mr. Bilgiç served as Chief Executive Officer and Board Member of TSKB between April 2022 and July 2025. Mr. Bilgiç elected to Board Member on August 29, 2025.

**BANU ALTUN**

Independent Board Member

Chairperson of the Credit Revision Committee
| Audit Committee Member | Remuneration
Committee Member | Risk Committee Member

Born in 1972, Banu Altun graduated from the Economics Department of Marmara University. She started her professional career at İşbank in 1994. Having served as a manager for the Corporate Loans division; Ms. Altun was appointed as the Deputy Chief Executive of İş Leasing in 2010. Having acted as the Maslak Branch Manager at İşbank between 2018-2020 and Corporate Loans Underwriting Division Head between 2020-2024, Ms. Altun took office as the Central Corporate Branch Manager in 2024. Banu Altun was appointed as a TSKB Board Member on March 28, 2024.

**MURAT DOĞAN**

Board Member

Remuneration Committee Member | Credit
Revision Committee Member | Sustainability
Committee Member | Risk Committee Member

Murat Doğan was born in Samsun in 1977 and graduated from Istanbul Technical University with a BSc in Industrial Engineering in 2000. Following his graduation, he joined İşbank as an Assistant Specialist in Subsidiaries Division. Mr. Doğan was promoted as Division Head in the Subsidiaries Division in 2022. Since 7th of January 2022, he has been a member of TSKB's Board of Directors.



DR. Ş. NURAY DURAN

Board Member

Corporate Governance Committee Member

Nuray Duran graduated from the Department Economics at Boğaziçi University in 1998. She holds master's in economics from Boğaziçi University and University of Minnesota, and a Ph.D. in economics from the latter. Dr. Duran started her career in academia in 2001, and has worked as an academican at the University of Minnesota, Miami, and Southern California in the United States. In addition, she worked as a consultant to the Global Macroeconomics Team at the World Bank Group in Washington D.C. In 2015, Dr. Duran joined Özyeğin University, where she worked as an academic and executive. Between 2021-2023, she served as a visiting associate professor at the University of Iowa and Rice University. As of January 2, 2026, Dr. Duran has been appointed as Vice Rector responsible for Research, Development, Education, and Teaching at Istanbul Bilgi University. Dr. Duran was appointed as a TSKB Board Member on March 28, 2024.



M. SEFA PAMUKSUZ

Independent Board Member

Chairperson of the Corporate Governance Committee

Mehmet Sefa Pamuksuz graduated from Department of Business Administration at Middle East Technical University and received his master's degree in Finance at Boston College. Having 25 years of experience in Turkish Treasury including General Directorate of Public Capital Institutions and Enterprises and working in various capacities, Mr. Pamuksuz recently acted as the Coordinator of the G20 Infrastructure and Investment Working Group as well as the Chair of the G20/OECD Task Force on Institutional Investors and Long-Term Investments (LTI). Mr. Pamuksuz has also worked as the Alternate Executive Director of Türkiye in the World Bank Group. Having worked in various finance management projects and being an Adviser for IMF FAD, Mr. Pamuksuz provided technical assistance to the governments of Cyprus, Mozambique, Lao PDR, Jamaica, Jordan, Serbia and Moldova. Holding a CPA certificate, M. Sefa Pamuksuz is currently working as a consultant on Public Financial Management, Long-Term Investments, Corporate Governance and SOEs at PAL A.Ş. Mr. Pamuksuz has been elected as Member of the TSKB Board of Directors on March 29, 2023.



MİTHAT RENDE

Board Member

Sustainability Committee Member

Born in 1953 in Antakya, Mithat Rende graduated from the Faculty of Political Science of the University of Ankara. After graduation he worked in the Ministry of Commerce and then was admitted to the Ministry of Foreign Affairs, where he held posts in Damascus, Rome, Brussels (NATO), Sofia, Vienna (OSCE) and London. Ambassador Rende also served as the Director of the Human Rights Department at the Ministry after completing the post-graduate program in Security and International Relations at the London-Royal College of Defence Studies. In 2005 he was appointed as Deputy Director General of Energy Environment and Water Affairs, served as Chairman of the Trade and Transit Working Group of the Energy Charter Conference in Brussels between 2005 and 2008, and was appointed as Ambassador to Doha (Qatar) in 2007. Ambassador Rende served as Director General of Multilateral Economic Affairs and Türkiye's Chief Negotiator for Climate Change between 2010-2013. He was also a member on the Turkish Nuclear Energy Commission during the same period. Ambassador Rende was appointed as the OECD Permanent Representative of Türkiye in 2013, and was elected as Chairman of the Executive Committee of the OECD in 2014. He retired in 2016 and since April 4, 2017 has been a member of the TSKB Board of Directors.

**ABDİ SERDAR ÜSTÜNSALİH**

Board Member

Abdi Serdar Üstünsalih, born in 1963 in Trabzon, holds a bachelor's degree in Business Administration and Physics, as well as a master's degree in Public Administration and Information Systems. Üstünsalih, who previously held positions as Manager, CEO, and Executive Vice President at Türkiye Vakıflar Bankası T.A.O., has been serving as the CEO and Managing Director of the Board of Directors at VakıfBank since May 27, 2019. On June 25, 2019, Mr. Üstünsalih was elected as a member of the Board of Directors of Türkiye Sınai Kalkınma Bankası. Additionally, he continues to serve as Deputy Chairman of the Board of Directors of the Banks Association of Türkiye. Mr. Üstünsalih, who is married and a father of two children also serves in various publicly beneficial foundations and associations.

**DR. CENGİZ YAVİLİOĞLU**

Board Member

Cengiz Yavilioğlu was born on August 20, 1970 in Erzurum. Economist Dr. holds a degree in Public Administration from Istanbul University. Mr. Yavilioğlu completed his master's degree in International Finance at Istanbul University and his doctoral studies in International Economics at Cumhuriyet University. He worked as a Research Assistant at Cumhuriyet University Department of Economics, later as Visiting Professor at The Turkish National Police Academy Faculty of Security Sciences, and as Deputy Chairman of Trustees at Rauf Denktaş University. Mr. Yavilioğlu worked as the Head of the Finance and Fund Management Department at the Privatization Administration. He also served as Chairman and/or Board Member at the following companies: the Black Sea Copper Enterprises AŞ, Turkish Maritime Organization AŞ, TEDAŞ Meram Electricity Distribution AŞ, TEDAŞ Çamlıbel Electricity Distribution AŞ, Ankara Doğal Electricity Generation and Trade AŞ, TÜPRAŞ and Türkiye Sugar Factories AŞ, Türk Telekom and TSKB. He was elected as the

24th term AK Party Erzurum deputy. He has authored articles on foreign direct investment, privatization practices, and development economics, and published books in 2010 titled "Productivity and Performance Analyses of Selected Privatized Companies in Türkiye" and "Privatization Practices in the World and in Türkiye." Mr. Yavilioğlu served as Deputy Chairman in charge of Economic Affairs within the AK Party, as a Member of the Plan and Budget Committee of the Turkish Grand National Assembly, and as a Member of the Parliamentary Commission on Coups and Memoranda. He held the position of Deputy Minister of Finance in the 64th and 65th Governments, and Deputy Minister of Treasury and Finance in the 66th Government. On November 22, 2023, he was appointed as Deputy to the Acting Chairman of the AK Party. As of March 25, 2021, he continues to serve as a Member of the Board of Directors of TSKB. Yavilioğlu is married and a father of three children.

SENIOR MANAGEMENT



OZAN UYAR

Chief Executive Officer and Board Member

Born in Eskişehir in 1974, Mr. Ozan Uyar graduated from the Department of Business Administration at Middle East Technical University, Faculty of Economics and Administrative Sciences. Mr. Uyar began his professional career in 1997 as an Assistant Auditor at the Internal Audit Department of Türkiye İş Bankası A.Ş. Working as Assistant Manager and Department Manager in the Commercial Loans Allocation Department of Türkiye İş Bankası A.Ş. between 2006 and 2015, Mr. Uyar assumed the roles of Loans Portfolio Management Manager in 2015, Corporate Banking Marketing and Sales Manager in 2017, Corporate Loans Allocation Manager in 2020 and Project Finance Manager in 2021. Mr. Uyar worked as a manager at İşbank's corporate branches between 2022 and 2025. He was appointed as TSKB's Executive Vice President for Loan Allocation, Financial Analysis and Loan Operations on January 21, 2025. As of 01.08.2025 Mr. Ozan Uyar will serve as CEO and Member of the Board of Directors of TSKB.



MERAL MURATHAN

Executive Vice President and Sustainability Leader

Meral Murathan was born in Erzurum in 1977, and graduated from the department of Economics at Boğaziçi University. She started her career in TSKB Treasury Department in 1998. After serving in a variety of roles and positions, she was promoted as Head of Financial Institutions in 2012. Meral Murathan promoted to Executive Vice President position in 1 April 2019. She is currently in charge of Treasury, Treasury & Capital Market Operations, Financial Institutions and Investor Relations, Development Finance Institutions and Climate Change and Sustainability Management Departments. Ms. Murathan also serves as TSKB Sustainability Leader.



ÖZLEM BAĞDATLI

Executive Vice President

Born in Çanakkale in 1974, Özlem Bağdatlı graduated from the Faculty of Law at Marmara University in 1995. She started her career in the private sector in 1998. Beginning her career at TSKB as a Specialized Lawyer in 2003, Bağdatlı held various positions at the Directorate of Legal Affairs between 2003 and 2021. Appointed as Executive Vice President on 1 May 2022, Bağdatlı is currently working as the Executive Vice President responsible for the Departments of Human Resources, Legal Affairs, Pension and Assistance Funds and Corporate Communications.



HASAN HEPKAYA

Executive Vice President

Hasan Hepkaya was born in Samsun in 1981, and graduated from the department of Business Administration at Hacettepe University. He started his career in Garanti Leasing in 2003. After serving in a variety of roles and positions in Corporate Banking and Project Finance Departments in TSKB between 2005 - 2014, he was promoted as Head of Project Finance and Head of Corporate Banking respectively between 2014-2018. Appointed as Executive Vice President as of 1 April 2019, Mr. Hepkaya is currently in charge of Corporate Banking Marketing, Project Finance, Corporate Banking Sales and Loan Operations Departments.



POYRAZ KOĞACIOĞLU
Executive Vice President

Poyraz Koğacioğlu received his Bachelor of Science degree from the Department of Aerospace Engineering at Middle East Technical University (METU) and his master's degree in business administration (MBA) from Koç University. During his MBA education, Koğacioğlu joined the Bocconi University exchange program with an investment banking focus. Having worked as a research assistant at Koç University between 2002 and 2004. He began his professional career in 2005 as an Equity Research Analyst at Oyak Investment. In 2006, he served as a Senior Analyst at 3 Seas Capital Partners, followed by a role as a Specialist in Corporate Finance at TAIB-PDF in 2007. Later in 2007, he joined Ak Investment as a Senior Specialist in the Corporate Finance team and was promoted to Assistant Manager in 2010. In 2012, he moved to Garanti Securities as a Manager in Corporate Finance, and from 2015 to February 2019, he served as Director, focusing on M&A and IPO transactions. In February 2019, Koğacioğlu was appointed as Executive Vice President at Şeker Gayrimenkul. As of May 1, 2022, he has been serving as Executive Vice President responsible for Corporate Finance, and currently continues his role overseeing Capital Markets, Mergers and Acquisitions, and Corporate Finance departments.



BİLİNÇ TANAĞARDI
Executive Vice President

Mr. Tanağardı was born in Konya in 1973 and graduated from the department of Computer Science Engineering at İstanbul University in 1994. He started his career at Degere International and then continued his career as a Software Engineer at Sınai Yatırım Bankası in 1999. Mr. Tanağardı joined TSKB in 2002 and after serving in a variety of roles and positions in Information Technology departments, He was promoted as Head of System and Network Support Department in 2015. Appointed as Executive Vice President as of 1 May 2022, Mr. Tanağardı is currently in charge of Application Development, Enterprise Architecture and Process Management, System and Network Support and Procurement and Financial Affairs Management Departments.



S. HÜSEYİN GÜREL
Executive Vice President

Born in 1983 in İstanbul, Seyit Hüseyin Gürel graduated from the Department of Economics at the Middle East Technical University in 2007. Starting his professional life at Industrial Development Bank of Türkiye, Mr. Gürel held various positions in Financial Analysis Department between 2007 and 2015. Mr. Gürel was positioned in Corporate Banking Department in 2015. Between 2017 and 2019, he served as Group Manager in the Corporate Marketing Department. In 2019, Mr. Gürel was appointed as Head of Corporate Banking Marketing, followed by his role as Head of Advisory Services and Marketing in 2020. As of September 1, 2023, Mr. Gürel has been appointed as Executive Vice President and currently serves in this role, overseeing Advisory Services Sales, Financial and Technical Advisory, Credit Restructuring and Resolution, Engineering, and Credit Allocation departments.



TOLGA SERT
Executive Vice President

Mr. Tolga Sert was born in Malatya in 1973. He graduated from METU's Petroleum Engineering department in 1995. He continued his education by having a Master's degree from Yeditepe University's Business Administration department in 2003. Beginning his career as an Assistant Expert at Garanti Bank in 1995, Mr. Sert then served as a Credit and Risk Officer at Total. In 1998, he started to work as an assistant investment advisor at the Treasury department of the Industrial Development Bank of Türkiye (TSKB). He assumed duties at Risk Management, Financial Control, Bahrain Branch, Investor Relations and Budget and Planning departments. He was later appointed as Financial Control Manager in 2016 and as a Director in 1 May 2022. Mr. Tolga Sert was promoted to Executive Vice President position as of 2 May 2024, and is currently in charge of Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning and Financial Control Departments.

DIRECTORS

**DR. BURCU ÜNÜVAR**

Director and Chief Economist

Burcu Ünüvar started her career at investment banking in 2004 and worked as the Senior Economist at Is Investment until 2013. Following her investment banking career, she joined Bilkent University as a full time academic at the Department of Economics. In April 2017 she joined TSKB as the Chief Economist and the Head of Economic Research Department. As of August 2023, she was promoted to the Director position while also continuing her research as the Chief Economist, coordinating macroeconomic content regarding markets and development themes, with a focus on ecosystem crisis. Ms. Ünüvar holds a Bachelor Degree in Business Administration, MSc Degree in Applied Economics and Finance from Denmark and USA, and a PhD in Economics. On a related front, she continues her research as a non-teaching academic focusing on monetary policy, central bank communication and green central banking.

**MELİS SÖKMEN**

Director

Mrs. Sökmen graduated from Marmara University's Faculty of Communication in 2002 and later pursued her master's degree at İstanbul University's Faculty of Communication. Having started her career in the media sector in 2002 and after gaining experience in marketing, Mrs. Sökmen joined TSKB in 2008 in the Corporate Communications Department. Over time, she transitioned to Talent Management through an internal transfer and officially took on the role of TSKB Human Resources Manager starting from March 1, 2018. On January 31, 2024, Mrs. Sökmen was appointed as Director, taking charge of overseeing both the Human Resources Department and the Corporate Communications Department.

**BURÇ BOZTUNÇ**

Director

Mr. Boztunç graduated from Boğaziçi University in 2004 with a degree in Economics and later completed his master's degree in Finance at İstanbul University. Mr. Boztunç embarked on his professional journey in 2005 as an Assistant Specialist in TSKB's Treasury Department. Over the years, he has taken on leadership roles in several units within the Treasury Department. Since 2017, Mr. Boztunç has been serving as the Treasury Manager. On January 31, 2024, he was appointed as the Director overseeing the Treasury Department. Mr. Boztunç is currently in charge of Treasury and Capital Markets Operations and Treasury Departments.

CORPORATE GOVERNANCE COMPLIANCE REPORT

PART I

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Türkiye Sınai Kalkınma Bankası A.Ş. ("TSKB" or "the Bank") is subject to the mandatory Corporate Governance Principles for Banks within the framework of banking legislation and the Capital Markets Board of Türkiye (CMB) legislation.

According to Article 55 of the Bank's Articles of Association, transactions conducted and Board of Directors' resolutions adopted without complying with the mandatory Corporate Governance Principles are considered a breach of the Articles of Association. The Bank complies with the mandatory Corporate Governance Principles under the "Regulation on Corporate Governance Principles of Banks" and the "Corporate Governance Communiqué."

While the Bank has complied with most of the non-mandatory Corporate Governance Principles, efforts to achieve full compliance in line with the regulations are ongoing. The non-mandatory principles with which full compliance has not yet been achieved are listed below; the Bank is not exposed to any conflict of interest in this regard.

- Regarding principle 1.5.2, in parallel with general market practices, the Bank's Articles of Association grant rights to the minority within the framework of the general provisions in the regulations. No request has been received from investors on this matter, and no changes are foreseen in the near future.
- Regarding principle 4.6.1, a performance evaluation of the Board of Directors is not conducted. All activities related to the composition, performance, and effectiveness of the Board of Directors are carried out under the oversight of the Corporate Governance Committee.

- Regarding principle 4.6.5, the remuneration of the Members of the Board of Directors and Senior Management is disclosed to the public in aggregate, in line with global and local practices.

Our Bank, which prioritizes the confidentiality of personal information, closely follows market practices. In this context, any future actions are expected to be taken in line with prevailing practices.

The Bank's Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) are available on the Public Disclosure Platform (KAP) page (<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/2427-turkiye-sinai-kalkinma-bankasi-a-s>).

As one of the leading institutions in corporate governance, the Bank maintained its position among the highest-rated organizations with its corporate governance rating in 2025. As a result of the assessment conducted by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. on October 17, 2025, TSKB's corporate governance rating score was confirmed as 9.67 out of 10. The assessment results under the four main sections (Shareholders, Public Disclosure and Transparency, Stakeholders, and Board of Directors) were confirmed as 9.51, 9.87, 9.89, and 9.54 out of 10, respectively.

TSKB'S CORPORATE GOVERNANCE RATING SCORE

Main Sections	Weight	Score
Shareholders	0.25	9.51
Public Disclosure and Transparency	0.25	9.87
Stakeholders	0.15	9.89
Board of Directors	0.35	9.54
Total		9.67

With its long history in sustainable banking and its pioneering environmental, social, and governance initiatives and best practices, TSKB fully complies with the Sustainability Principles issued on October 2, 2020, under the Communiqué on Amendments to the Corporate Governance Communiqué (II-17.1).

The Bank's Sustainability Principles Compliance Framework is available on the Public Disclosure Platform (KAP) page (<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/2427-turkiye-sinai-kalkinma-bankasi-a-s>).

PART II SHAREHOLDERS

INVESTOR RELATIONS DEPARTMENT

At TSKB, investor relations activities, coordinated by the Financial Institutions and Investor Relations Department and the Legal Affairs Department, are carried out in accordance with the principles of transparency, accountability, responsibility, and fairness required by corporate governance.

The "Investor Relations Department Manager," who holds CMB Advanced Level (Level 3) and Corporate Governance Rating Specialist Licenses, also serves as a member of the Corporate Governance Committee as required under the relevant legislation.

The Financial Institutions and Investor Relations Department continued to proactively conduct investor relations activities in 2025, briefing the Corporate Governance Committee and the Board of Directors on "Investor Relations Activities and Strategic Plans" four times a year.

Contact information for employees currently serving in Investor Relations is provided on the right:

Name	Title	Phone Number	Email Address
Meral Murathan	Executive Vice President*	0 212 334 51 24	murathanm@tskb.com.tr
Can Ülkü	Head of Financial Institutions and Investor Relations	0 212 334 51 77	ulkuc@tskb.com.tr
Özen Çaylı	Senior Investor Relations Manager **	0 212 334 52 49	halilogluo@tskb.com.tr
Dilek Özdemir	Head of Legal Affairs	0 212 334 50 98	ozdemird@tskb.com.tr

* Ms. Meral Murathan is the Executive Vice President responsible for Financial Institutions and Investor Relations; Development Finance Institutions; Treasury; Treasury and Capital Markets Operations; and Climate Change and Sustainability Management Departments.

** Ms. Özen Çaylı holds the Capital Markets Activities Level 3 License (License No. 204985) and the CMB Corporate Governance Rating Specialist License (License No. 701337).

GENERAL ASSEMBLY MEETING

The Bank's annual Ordinary General Assembly Meeting was held on March 24, 2025, at the Headquarters building. The 2024 Ordinary General Assembly Meeting was held with the participation of shareholders representing a total of 203,026,582,695 shares, corresponding to TL 2,030,265,826.95 of capital, out of 280,000,000,000 shares comprising the Bank's total capital of TL 2,800,000,000. Of these, 1,573,920,100 shares (TL 15,739,201) were represented in person; 171,317,448,695 shares (TL 1,713,174,486.95) were represented by proxy; and 30,135,213,900 shares (TL 301,352,139) were represented by custodial representatives. The participation rate was 72.5%.

The items discussed and voted on by the Shareholders at the meeting are as follows:

- The Meeting Council was constituted in accordance with the Bank's Articles of Association. The authorization of the Meeting Council to sign the meeting minutes was approved by majority vote.
- The review and discussion of the Board of Directors' Annual Report and the Independent Audit Reports regarding the Bank's 2024 accounts and transactions were approved by majority vote.
- The Bank's 2024 balance sheet and income statement were examined, discussed, and approved by majority vote.

- The election of Mr. Hakan Aran to replace Mr. Adnan Bali, who resigned from the Board of Directors, was approved by a majority vote.
- The members of the Board of Directors were discharged by majority vote.
- The resolution regarding the determination and distribution of distributable profit was adopted by majority vote. The General Assembly was informed about the bonus payments made to employees in 2024 and those planned for 2025.
- The determination of the remuneration payable to the members of the Board of Directors was approved by a majority vote.
- The selection of the Independent Audit Firm was approved by a majority vote.
- Donations made during the year were presented to the General Assembly for its information. Additionally, the determination of the upper limit for donations to be made in 2025 was approved by a majority vote.
- Permission was granted to the members of the Board of Directors, by majority vote, to carry out the transactions set out in Articles 395 and 396 of the Turkish Commercial Code.
- Transactions specified in Article 1.3.6 of the CMB's Corporate Governance Communiqué No. II-17.1 were presented to the General Assembly for its information.

- Shareholders were informed about the activities related to the management of climate risks.
- There were no instances during the period in which, due to negative votes by Independent Board Members, a decision was referred to the General Assembly. The results of the General Assembly meeting and the resolutions adopted were announced on the KAP on March 24, 2025.

DIVIDEND DISTRIBUTION POLICY

The dividend distribution proposals submitted by the Board of Directors to the General Assembly for approval are prepared within the framework of a dividend distribution policy approved by the General Assembly, taking into account the Bank's profitability and aims to maintain the delicate balance between shareholders' expectations and the Bank's growth requirements.

The principles governing the Bank's dividend distribution are set out in Article 47 of the Articles of Association, and pursuant to these principles there are 100 founder usufruct certificates entitled to receive a share of the profit.

The Bank's dividend distribution policy, renewed in 2019, has been made available to shareholders on its corporate website in Turkish and English.

<https://www.tskb.com.tr/en/investor-relations/corporate-governance>

At the General Assembly Meeting on March 24, 2025, in line with the Bank's Dividend Distribution Policy and taking into account economic developments in Türkiye and worldwide, the Bank's long-term growth targets, and the need to maintain the strong capital structure that supports these targets, the Bank's Board of Directors resolved that, from the net profit for 2024 of TL 10,134,599,216.25, TL 1,300,000,000.00 be allocated to a special fund for the acquisition of venture capital investment funds in accordance with the relevant provisions of tax legislation; that the profit on sale of an associate of TL 9,915,137.00 realized in 2024 be retained in a special equity account in accordance with Article 5(1)(e) of the Corporate Tax Law; and that the remaining amount of TL 8,824,684,079.25 be transferred to extraordinary reserves and held in equity.

RELATIONS WITH STAKEHOLDERS

Complaints and suggestions from the Bank's stakeholders, such as shareholders, employees, creditors, customers, suppliers, various non-governmental organizations, and potential savers who may consider investing in the Bank, are received via the contact form on the Bank's website. Additionally, the stakeholder analysis conducted at the Bank at least every two years also contributes to this process. Decisions made or developments concerning employees are communicated to them. The Bank, which develops mechanisms to include employees in decision-making processes, ensures their participation through periodic surveys and committees established for various topics. Furthermore, the "HR Representative" practice, launched in 2017 with representatives selected from each department, continues to be implemented.

Employee participation in management is regulated by internal bank regulations. The Internal Directive on the Delegation of Representation Authority of Türkiye Sınai Kalkındırma Bankası A.Ş., published on page 483 of Trade Registry Gazette No. 8944, dated November 11, 2015, authorizes employees to carry out banking activities according to their signing authority levels.

Stakeholders, including employees, can submit their complaints and suggestions to the Bank via the contact form on the Bank's website. Notifications of transactions that are contrary to legislation or ethically inappropriate are examined by the Board of Internal Auditors or the Internal Control Department, depending on the content and nature of the reported situation, and are forwarded to the Corporate Governance Committee or the Audit Committee. In this context, the Anti-Bribery and Anti-Corruption Program and the Anti-Bribery and Anti-Corruption Policy are publicly available on the Bank's website.

<https://www.tskb.com.tr/en/investor-relations/corporate-governance>

The Anti-Bribery and Anti-Corruption Policy, which covers all employees of the Bank and its subsidiaries, including the Board of Directors, as well as intermediaries, agents acting on behalf of the Bank, suppliers, contractors, third parties, affiliated agencies, and business partners, is updated in line with changes in requirements and operating conditions to ensure compliance with applicable anti-bribery and anti-corruption laws, ethical and professional principles, and universal rules. Additionally, a declaration is obtained from employees stating that they comply with the provisions of the Anti-Bribery and Anti-Corruption Policy and accept the consequences of any noncompliance. Training on the Anti-Bribery and Anti-Corruption Policy is made available to employees through the Bank's online training platform, and completion results are monitored regularly.

The Anti-Bribery and Anti-Corruption Program also includes the Complaint Notification Mechanism, which was established for employee complaint communication and is accessible to employees via the intranet. Furthermore, the results for the relevant year regarding incidents, complaints, training, and communications within the scope of this program are published on the Bank's website. Within this framework, employees can also contribute to decision-making processes.

Additionally, the Bank has committees formed by employees on a wide range of topics, and employee participation in management is ensured through these committees.

BOARD OF DIRECTORS

Members of the Board of Directors and Principles of Board Operations

The Board of Directors consists of 11 members, a number that allows for the effective organization of the Board's activities. The election of members is carried out in accordance with legislation and the Bank's Articles of Association. Detailed résumés of the Board of Directors and the CEO are available on the Bank's website and in the integrated annual report.

The Board of Directors convenes regularly as planned, at least once a month, and more frequently when necessary, regardless of this schedule. Care is taken to schedule meeting dates so as to enable all members to participate; except in unforeseen circumstances, meetings of the Board of Directors are attended by all members.

A sufficient number of Board members attend meetings to ensure quorum. Each member of the Board of Directors is entitled to one vote.

In accordance with the Bank's Articles of Association, the Board of Directors meets with a majority of its members and makes decisions by a majority of those present.

Between January 1 and December 31, 2025, the Bank held 31 Board of Directors meetings. There were no related-party transactions or transactions of a material nature requiring submission to the approval of the General Assembly.

The table below shows the number of meetings and attendance rates for the past three years.

	2023	2024	2025
Number of Meetings	32	36	31
Attendance Rate	93%	96%	90%

Damages to the company resulting from faults committed by members of the Board of Directors and all Bank executives in the performance of their duties are covered by the insurance policy procured by the principal shareholder, Türkiye İş Bankası A.Ş., for the İş Bankası group companies.

Regular assessments of the Board of Directors' structure and efficiency are conducted through its committees, and recommendations for potential improvements are presented to the Board. Information regarding the Board of Directors' Committees and their operating principles is available in the Investor Relations section of the Bank's corporate website.

Within the framework of the "Board of Directors' Inclusivity and Diversity Policy," established in 2014 and updated in 2019, 2023, and 2026, the Board of Directors conducts an annual assessment of the current situation. As of December 31, 2025, the number of female members on the Board of Directors is three. The shareholdings of the members of the Bank's Board of Directors are limited.

Remuneration Policy

The Bank carries out its remuneration policy practices within the framework of the relevant Banking and Capital Markets legislation. The Remuneration Policy is available on the Bank's corporate website in the Investor Relations section or via the link: <https://www.tskb.com.tr/yatirimci-iliskileri/kurumsal-yonetim>. This policy covers all Bank employees at all levels, including the Head Office and branches.

Committees are responsible for determining and overseeing the approach, principles, and practices related to the performance evaluation and career planning of Board members and senior management.

No remuneration is paid to members of the Board of Directors other than a monthly attendance fee. The amounts of attendance fees and profit shares paid in accordance with the Articles of Association are determined by the General Assembly based on motions submitted by shareholders. The Bank does not have a share acquisition program.

Members of the Board of Directors have never, directly or indirectly, obtained cash or non-cash loans from the Bank.

The total amount of financial benefits such as attendance fees, dividends, salaries, premiums, and bonuses provided to the members of the Board of Directors and Senior Management is TL 188,410,159.

The total amount of travel, accommodation, and other payments provided to the members of the Board of Directors and Senior Management is TL 12,407,314.

DIVIDEND DISTRIBUTION PROPOSAL

- A. According to Article 47 of our Articles of Association, the General Assembly will be presented with the proposal to allocate the 2025 net profit of TL 11,382,793,044.04 as follows;
1. TL 1,500,221,471.16 to be allocated as first dividend in accordance with Article 47(b) of the Articles of Association,
 2. TL 1,300,000,000.00 to be set aside as a special fund for venture capital investment fund purchases in line with relevant tax legislation, with investments made and/or to be made in 2026 considered for the 2025 corporate tax return,
 3. Of the remaining net profit of TL 8,582,571,572.88 after the allocations in items 1 and 2, TL 30,652.04, corresponding to 5% (limited to TL 200,000 of paid-in capital), will be distributed to founder shares at TL 306.52 per founder share in accordance with Article 47(d) of the Articles of Association
 4. TL 136,028,277.52 will be set aside as legal reserve fund in accordance with Article 519/2(c) of the Turkish Commercial Code,
 5. TL 8,446,512,643.32 will be allocated as excess reserve,
 6. The entire gross amount of TL 1,500,221,471.16, representing the first dividend stated in item 1 and corresponding to 53.58% of the paid-in capital, will be distributed to shareholders in cash,
 7. The cash dividend distribution of TL 1,500,221,471.16 will commence as of March 27, 2026, and the Board of Directors will be authorized to carry out all transactions related to the above matters,
- B. Information will be presented to the General Assembly regarding TL 571,856,699.29, arising from investments in venture capital investment funds and monitored under equity valuation accounts, being transferred to excess reserve,
- Of the TL 1,300,000,000.00 special fund determined in the 2024 General Assembly for venture capital fund purchases, TL 895,676,452.26 is reflected in the 2025 Corporate Tax Return, with the remaining amount transferred to excess reserve,
- C. The Balance Sheet and Profit/Loss Statement as of December 31, 2025, approved by the Board, will be submitted to the General Assembly, respectfully submit for approval that the General Assembly authorize the Board of Directors to execute all transactions related to the above matters.

SUMMARY REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Welcome to the 76th Ordinary General Assembly Meeting of our Bank. As we present for your review and approval the Board of Directors' Annual Report, the Independent Auditor's Report, and the income statements for the 2025 fiscal year, we respectfully welcome our partners, their representatives, and our guests who honor us with their presence at the meeting.

In 2025, a year in which TSKB continued to positively differentiate itself from the sector by demonstrating a performance aligned with its goals and its focus on sustainable development, we observed the continuation of the disinflation process and the upward rebalancing of the Central Bank of the Republic of Türkiye (CBRT) reserves in Türkiye. We observed the positive reflections of this moderate improvement on both the country assessments by international rating agencies and the country's risk premium. During the same period, the banking sector continued its strong support for Türkiye's economy within the framework of macro-prudential policies. As of year-end 2025, the sector's total assets reached TL 47 trillion, a 44% increase in TL terms, while total equity reached TL 4.2 trillion, a 43% increase in TL terms. The sector's total loans increased by 44% to TL 23.1 trillion, while its cumulative net profit for the period was recorded at TL 940 billion, a 43% year-over-year increase.

In 2025, TSKB increased its support to Türkiye's economy through long-term cash loans to approximately USD 2 billion, recording a growth of 11.2% on a currency-adjusted basis. Consequently, our Bank's loan portfolio reached TL 235.9 billion, and its total assets grew by 41% to TL 326.7 billion. The Bank secured a total of USD 1.8 billion in new funding, including approximately USD 1.1 billion from development finance institutions, setting a new record in its history. During the same period, our Bank achieved a cumulative net profit of TL 11.4 billion with a net interest margin of 5.6%, and its capital adequacy ratio, calculated excluding the BRSA's temporary measures, was 20.3%. Furthermore, TSKB, which has achieved a return on equity above the sector average for the last three years, recorded a return on equity of 29.3% as of year-end 2025.

We take this opportunity to thank our partners, employees, and all stakeholders for their contributions to these results, and we once again respectfully greet you, our shareholders, who honored our General Assembly with your presence.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
BOARD OF DIRECTORS

OTHER MAJOR UPDATES ON CORPORATE OPERATIONS

DISCLOSURES ON PRIVATE AUDIT AND PUBLIC AUDIT DURING THE ACCOUNTING PERIOD

During the current accounting period, no private audit was conducted at the Bank as per Articles 207, 438 and 439 of the Turkish Commercial Code. The Bank is subject to public audit by public institutions such as the BRSA, CBRT, CMB, and the Competition Authority. If any matters requiring a public disclosure arise about the audits conducted at the Bank by public institutions, they are publicly communicated through material disclosures.

DISCLOSURES ON ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED ON THE COMPANY AND BOARD MEMBERS FOR ACTS CONTRARY TO LEGISLATIVE PROVISIONS

Information on court proceedings is provided in the annual report and section III/4 of part five of the nonconsolidated audit report, and litigation expenses/ provisions in section 7.c.3.

SERVICES RECEIVED FROM THE INDEPENDENT AUDITING COMPANY

No service other than audit services is received from the institution from which independent audit services are received.

RELATED PARTY TRANSACTIONS

Information on the Bank's related party transactions is included in the fifth section of the audit report, in footnote VII. According to that: "Between the Bank and Türkiye İş Bankası A.Ş., the controlling shareholder, and the companies affiliated thereto, there are no legal procedures completed under the instructions of our controlling shareholder to the benefit of the latter or of a company affiliated thereto, and no measures taken or avoided to the benefit of our controlling shareholder or a company affiliated thereto. In addition, the commercial transactions concluded between the Bank and Türkiye İş Bankası A.Ş., the controlling shareholder, and the companies affiliated thereto and are provided in the report in detail, are required by the Bank's operations and are completed over the equal values applicable in the market. They are compliant with the principle prescribed in Article 202 of the Turkish Commercial Code No. 6102 that the controlling shareholder cannot exercise its control in a way to inflict a loss on its subsidiaries. There are no decisions against or transactions inflicting loss on the Bank under the instructions of Türkiye İş Bankası A.Ş., the controlling shareholder, and the companies affiliated thereto. There are no decisions taken against the Bank, nor any transactions causing loss to it, under the direction of Türkiye İş Bankası A.Ş., the controlling shareholder, or its affiliated companies.

INFORMATION ON OPERATIONAL FIELDS FOR WHICH SUPPORT SERVICES ARE OUTSOURCED UNDER THE REGULATION ON OUTSOURCING OF SUPPORT SERVICES BY BANKS AND INFORMATION ON THE INDIVIDUALS AND ORGANIZATIONS SUPPLYING SUCH SERVICES

The following services received by the Bank in 2025 fall into the scope of the Regulation on Outsourcing of Support Services by Banks, promulgated on November 5, 2011;

- Emergency Services Server Hosting Service received from Turkcell Dijital İş Servisleri A.Ş.
- Riskfree Treasury Valuation System Maintenance Service received from Risk Aktif Danışmanlık Eğitim Yazılım Sanayi ve Tic. Ltd. Şti
- SWIFT FMHS (Fully Managed Hosting Service) received from Fineksus Bilişim Çözümleri Ticaret A.Ş.
- Internal Rating Model and Asset-Liability Management Infrastructure and Maintenance Service received from Prometeia SPA
- EFT Software Maintenance Service received from BIS Çözüm Bilgisayar ve Entegrasyon Hizmetleri ve Tic. A.Ş.
- Security Service received from Tepe Savunma ve Güvenlik Sistemleri San. A.Ş.
- Data Center Service received from İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.

RISK MANAGEMENT POLICIES

INFORMATION ABOUT RISK MANAGEMENT POLICIES BY RISK TYPE

TSKB's Risk Management Policies and application principles of these policies consist of written standards established by the Board of Directors and implemented by the Bank's executive management.

According to TSKB's Risk Management Policies, the main risks exposed by the Bank are identified as credit risk, asset-liability management risk (market risk, structural interest rate risk, liquidity risk) and operational risk.

A Risk Management Department is formed within the Bank in order to manage the risks the Bank is exposed to in parallel with the risk policies ensuring compliance with those policies and related application principles.

TSKB's Risk Management Department actively participates in all processes regarding the management of risks and submits regular reports to the Board of Directors, Audit Committee, Risk Committee, senior management and related units of the Bank. Its duties, responsibilities and structure have been established by the Regulation of the Risk Management Department.

CREDIT RISK MANAGEMENT POLICY

Credit risk is the possibility that the credit client or a counterparty of an agreement is unable to fulfill the obligations under the conditions of the agreement. Whilst the most common and apparent source of credit risk is the loans granted by the Bank, other banking services carrying counterparty risk also carry credit risk. In this regard, all related banking activities are evaluated within the scope of credit risk.

Credit risk is measured and managed by taking into account the structure and characteristics of the credit, the terms and conditions of the credit agreement and financial conditions, the structure of the risk profile until the end of the maturity in parallel with possible market movements, guarantees and collaterals, internal risk ratings, possible changes in ratings during the risk exposure period, concentrations (one single company, group of affiliated companies, sector, country, etc.) and compliance with limits established by the Board of Directors to prevent such concentrations.

In measuring credit risk, the Internal Rating Models are used for monitoring and controlling the credit risk and providing early warning.

Maximum effort is taken to ensure that limits and policies in agreements with foreign and domestic sources do not diverge to a significant degree from the policies and limits set by the Bank. Despite the clauses in the agreements deviating from the existing policies, they are still accepted to be in force.

ASSET-LIABILITY MANAGEMENT RISK POLICIES

All financial risks arising from the Bank's assets and liabilities other than credit risk are defined as asset liability management risks. The market risk of the trading portfolio, structural interest rate risk and liquidity risk fall into this category.

I- Market Risk Management Policy

Market risk is the possibility of portfolio or position loss in the scope of trading portfolios resulting from fluctuations in interest rates, stock prices, commodity prices, or exchange rates on the financial markets. The purpose of market risk management is to manage, within the appropriate parameters, the risks to which the Bank might be exposed with a proactive approach and thus maximize the Bank's risk-adjusted return.

Market risk is managed by using consistent risk measurement and criteria such as fluctuation level of interest and/or prices and Value at Risk calculations, establishing appropriate procedures regarding the performance of control and observing compliance with the identified risk limits.

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

Moreover, the creditworthiness of issuers of financial instruments causing market risk is evaluated and monitored carefully. In calculating market risk, the Bank uses two major approaches, namely BRSA Standard Method and Value at Risk (VaR). The accuracy of the VaR model is ensured by carrying out backtesting. The question test is based on the comparison of the calculated Risk Exposure Value and the realized losses. In addition; stress tests are applied in order to determine the impacts of events, with a low possibility of realization but substantial losses, on Value at Risk.

II- Structural Interest Rate Risk Management Policy

Structural interest rate risk is the risk of change in the Bank's capital due to possible changes in interest rates through differences in the repricing period and the interest structures of interest-sensitive assets and liabilities monitored in the banking book.

Structural interest rate risk is managed through the provision of consistent information on structural interest rate risk to all organizational levels by using risk measurement and criteria such as the level of fluctuation of interests, interest shock and stress test calculations.

The inconsistencies of the asset-liability structure are monitored and measured on a currency basis and at determined maturity intervals taking into account their re-pricing.

TSKB manages interest risk by acknowledging that it threatens the Bank's income, capital, liquidity and reputation and consists of factors such as re-pricing risk, yield curve risk, base risk, spread risk, and option risk.

III- Liquidity Risk Management Policy

Liquidity risk is defined as the risk of failure to meet the on and off-balance sheet liabilities when due.

This includes the case when the Bank does not have enough cash or cash inflows in order to fulfill the cash outflows completely and on time and thus incurs a loss.

There are two kinds of liquidity risk, one is related to funding for capital markets and trading activities, the other one is related to the market. Liquidity risk related to funding is the risk that occurs when investment and funding needs are not fulfilled timely or with a reasonable cost because of inconsistency in the cash flows. Liquidity risk related to the market occurs when the Bank cannot close its positions on time or with reasonable costs because the markets are not deep, have problems, or the Bank cannot enter the markets.

It is essential to have maximum diversification regarding funding sources, markets, instruments and maturities in order to have effective and sustainable liquidity management.

In liquidity management, the portfolio structure is formed in line with the functions of revenue generating from the portfolio and management of the market risk. The risk-return balance is constantly monitored whereas the liquidity needs are followed up at all times.

OPERATIONAL RISK POLICY

Operational risk is defined as the loss occurring from processes, humans and systems because of deficiencies or faults or mistakes or outside events. Compliance with the laws and ethical standards are also included in this definition.

Risks related to operations and processes, external risks, information technology and cybersecurity risks, human resources risks, and supplier management risks are monitored within the scope of operational risk.

Operational risks are managed by applying special controls and precautionary measures to the fundamental operational areas of the Bank, by forming an appropriate internal control system and distributing the authorities throughout the Bank, by testing and controlling in detail all the Bank's operational systems, by obtaining a consistency between the internal and external systems and having an independent data backup system.

The Bank respects the principle of segregation of duties in order to reduce the risk of fraud, manipulation or mistakes.

Incident records and risk indicators of operational nature are regularly monitored and reported by the Risk Management Department.

CONSOLIDATED RISK MANAGEMENT POLICY

The Bank pays attention that the fundamental principles and standards related to the risk management systems and processes implemented within TSKB are also applied in the subsidiaries. Consolidated Risk Policies are determined and approved by the Board of Directors.

It is essential for the subsidiaries that these policies are adopted, specified risk management systems and processes are applied in order to have consolidated risk management and to act in consistency with the risk limits set at the group level.

POLICIES REGARDING OTHER RISKS

Other risks are Model Risk, defined as the risk of loss due to erroneous design or implementation failures of the models used for pricing, credit facilities and risk measurement, Strategy Risk, occurring because of false or ill-timed decisions; and Reputation Risk, defined as the reputation loss of the Bank in the eyes of the clients and markets. These risks are mentioned in the Bank's Risk Policies in order to increase awareness throughout the Bank. In addition, climate risks have been defined regarding their potential to create adverse consequences for human or ecological systems due to climate change.

AUDIT COMMITTEE

The Audit Committee held 55 meetings in 2025.

The Audit Committee consists of two members, who are selected from among the non-executive members of the Board of Directors. The current members of the Audit Committee are Ms. Ece Börü and Ms. Banu Altun.

The Audit Committee is responsible for:

- Ensuring, on behalf of the Board of Directors, the effectiveness and adequacy of the Bank’s internal systems (internal audit, internal control, risk management, and corporate compliance) within the framework of relevant legislation,
- Overseeing the operation of internal systems, as well as accounting and reporting systems, in accordance with the Law and related regulations, and ensuring the integrity of the information produced,
- Conducting the necessary preliminary evaluations for the Board of Directors’ selection of independent audit firms, as well as rating, valuation, and support service organizations, and regularly monitoring the activities of those organizations selected and contracted by the Board of Directors,
- Ensuring the consolidated continuation and coordination of the internal audit activities of subsidiaries subject to consolidation,
- Receiving regular reports from the units established within the scope of internal systems and from independent audit firms regarding the performance of their duties, and reporting any identified deficiencies to the Board of Directors.

Term of Office	Professional Experience	Previous Departments	Education Status
President: Board of Internal Auditors: A. Gerçek Nasuhoğlu			
3.6 years	29.6 years	İş Bankası: Internal Audit, Budget and Planning Department, Strategy and Corporate Performance Management Department, Teşvikiye Branch	Domestic Master’s Degree
Coordinator – Internal Control, Corporate Compliance, and Risk Management: Simay Kimyacı			
1.9 years	27 years	Treasury Department, Internal Control Department	Domestic Bachelor’s Degree
Internal Control Manager: Aslıhan Toraman			
1.9 years	22.5 years	Treasury and Capital Markets Operations Department	Domestic Master’s Degree
Corporate Compliance Manager: Aslı Yasemin Zortuk			
4.5 years	20.5 years	Financial Control Directorate, Enterprise Architecture and Process Management Directorate	Domestic Bachelor’s Degree
Risk Management Manager: Gül Bahar Yalçın			
3.5 years	17 years	Economic Research Department	Domestic Master’s Degree

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE ASSESSMENT ON THE FUNCTIONING AND 2025 ACTIVITIES OF THE INTERNAL AUDIT, INTERNAL CONTROL, CORPORATE COMPLIANCE, AND RISK MANAGEMENT SYSTEMS

The Audit Committee held 55 meetings in 2025. In these meetings, the Audit Committee worked to fulfill its duties and responsibilities within the scope of the “Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks” and as outlined in the “Corporate Governance and Risk Management – Board of Directors” section of the annual report.

At the Bank, activities within the scope of internal systems (internal audit, internal control, corporate compliance, and risk management) are carried out by the Board of Internal Auditors, the Internal Control Department, the Corporate Compliance Department, and the Risk Management Department. The duties and responsibilities of the relevant departments are set out in regulations approved by the Board of Directors. All four departments operate under the Audit Committee, which was established to assist the Board of Directors in performing its audit and oversight activities. They are independent of executive activities and executive units.

The evaluation of the internal systems, which have been established to cover all branches and units as well as subsidiaries subject to consolidated audit, and ensuring their continuous functioning, adequacy, and effectiveness are among the priorities of the Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors are fulfilled by the Board itself, the Audit Committee, the Board of Internal Auditors, the Internal Control Department, the Corporate Compliance Department, and the Risk Management Department.

BOARD OF INTERNAL AUDITORS

The Board of Internal Auditors provides assurance that the Bank’s activities are conducted in line with the Law and other relevant legislation, as well as internal strategies, policies, principles, and objectives, and that the internal control and risk management systems are effective and adequate. The Board of Internal Auditors, which plans and conducts its audit activities with a risk-oriented approach, assesses potential risks in Head Office departments, in a branch, in subsidiaries, in firms providing support services, and in the Bank’s information systems and banking processes. It reviews whether the internal control, risk management, and corporate governance systems are coordinated, effective, and adequate, and examines the accuracy and reliability of accounting records and financial reports.

The Board of Internal Auditors does not limit itself to merely identifying findings as a result of its audits. It provides opinions and recommendations to prevent the recurrence of deficiencies, errors, and any misconduct; to improve processes; to increase efficiency and effectiveness; and to strengthen internal systems. It closely monitors findings and the actions taken in response, and reports on developments regarding these monitored issues at Audit Committee meetings held during the year.

In 2025, the Board of Internal Auditors conducted a total of 30 audits covering Head Office departments, subsidiaries, support and outsourced service providers, banking processes, and information systems.

As a result of the audits and assessments conducted in 2025, no significant adverse issues were identified that could negatively affect the Bank’s operations or hinder its ability to fulfill its obligations. It was determined that the Bank’s internal control and risk management systems are functioning well, its activities are generally low-risk, its financial and legal reports are accurate, and it operates in compliance with laws and regulations.

In conclusion, the internal audit system, with its risk-based approach, qualified personnel, and experienced and prudent management, has been effective and successful in preventing, detecting, and eliminating risks. In 2025, members of the Board of Internal Auditors attended various training programs to enhance their professional knowledge, skills, and competencies.

INTERNAL CONTROL DEPARTMENT

The TSKB Internal Control System is structured to cover the Bank’s branches, head office units, subsidiaries subject to consolidation, and all of its activities, in order to ensure that all financial and operational risks identified in connection with those activities are continuously kept at a reasonable level and under control.

The adequacy and effectiveness of the Internal Control System are reviewed through continuous monitoring activities coordinated by the Internal Control Department and carried out by all Bank personnel, and necessary improvement efforts are undertaken.

Efforts are underway to measure individual and interrelated operational risks in the Bank's processes, to establish a strong corporate culture with a risk management perspective in light of the Guideline on Operational Risk published by the BRSA, and to create structures that will contribute to the improvement of the existing internal control environment. These efforts aim to develop the "Three Lines Model," an effective method for managing risks and controlling operational activities, thereby establishing a robust mechanism that will contribute to the optimization and effectiveness of governance, risk, and internal control systems. Through this, the goal is to build a solid foundation for the assurance provided to the Bank's stakeholders, legal authorities, employees, and the Board of Directors regarding the competence and adequacy of the internal control system.

The findings, opinions, and recommendations identified as a result of internal control activities conducted by the Internal Control Department are first shared with and evaluated by those who carry out the activities.

This ensures that necessary complementary and preventive measures are swiftly taken and implemented, that appropriate and feasible solutions for improving processes and activities are rapidly put into practice, and that the Bank's internal control system is strengthened through continuously evolving technological innovations and robotic process automation (RPA).

The Bank's Audit Committee is periodically informed about the effectiveness of the internal control system and the results of internal control activities through annual reports prepared by the Internal Control Department.

In 2025, activities were carried out to improve the internal control environment at the Bank and its subsidiaries, taking into account changes in regulations and practices. Internal audit activities were conducted to assess compliance with the ISO 14001 Environmental Management

System Standard and the ISO 14064 Greenhouse Gas Calculation and Verification Standard, within the scope of the certificates held by the Bank for the assessment and management of environmental impacts. Internal control personnel participated in various training programs throughout the year to enhance their professional knowledge, skills, and abilities, taking into account changes in the applicable legal and regulatory frameworks, and were encouraged to obtain national and international professional certifications. In this context, in 2025, one of our employees obtained the CIA (Certified Internal Auditor) certification, one employee obtained a MASAK compliance officer license, two employees became ISO 42001 Artificial Intelligence Management System Lead Auditors, and five employees received ISO 27001:2022 Information Security Management System Lead Auditor Transition Training certificates.

CORPORATE COMPLIANCE DEPARTMENT

The Corporate Compliance Department carries out its duties reporting to the Audit Committee, which was established to assist the Board of Directors in fulfilling its audit and oversight responsibilities.

The Corporate Compliance Department assesses compliance of the Bank's activities, transactions, and the products and services it offers to its customers with applicable national and international regulations and other internal legislation, and ensures that necessary measures are taken. In this context, it conducts daily, weekly, and monthly regulatory reporting at relevant levels within the Bank.

The Corporate Compliance Department is responsible for providing coordination and support within the Bank, to ensure that the Bank's processes, policies, procedures, and practices comply with applicable laws and regulations, and for ensuring coordination and communication on regulatory matters between

regulatory authorities, related institutions and organizations, and the Bank's relevant departments.

The Corporate Compliance Department informs the Board of Directors through quarterly Compliance Reports on the identification and assessment of potential compliance risks the Bank may face, the implementation of necessary measures within the Bank, and the monitoring of compliance efforts.

Monitoring and control activities under MASAK legislation, aimed at ensuring compliance with regulations on the prevention of money laundering, financing of terrorism, and proliferation of weapons of mass destruction, are carried out by the Corporate Compliance Department under the supervision of the Compliance Officer. With the Regulation Amending the Regulation on the Compliance Program for Obligations Regarding the Prevention of Money Laundering and the Financing of Terrorism, published in the Official Gazette dated August 22, 2025, and numbered 32994, development and investment banks were included within the scope of the obligation to establish a compliance program. The monitoring, assessment, and control activities carried out under the Bank's Compliance Program, which was established with a risk-based approach, ensure that the necessary controls, alerts, and other mechanisms in business processes are fully implemented. The results of monitoring and control activities regarding compliance with measures to prevent money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction are periodically reported to the Bank Audit Committee.

In terms of sanctions regulations, national legislation and the recommendations, standards, decisions, and lists published by international organizations are monitored; sanctions lists are kept up-to-date in the banking system; and announcements and notifications are made to raise awareness within the Bank.

Corporate Compliance personnel participated in various training programs throughout the year to enhance their professional knowledge, skills, and abilities, taking into account changes in the applicable legal and regulatory frameworks, and followed webinars, forums, and meetings held to monitor developments in international sanctions regulations. They were encouraged to obtain national and international professional certifications. In this context, the Compliance Officer Authorization Examinations administered for the Compliance Officer and Assistant Compliance Officers were passed, and one of our employees obtained the CAMS (Certified Anti-Money Laundering Specialist) certification.

In 2025, as in previous years, the Bank supported the department responsible for training by helping to identify necessary training content and deliver training on compliance, integrity, and ethics. It also ensured participation in projects, working groups, boards, and committees related to critical processes within the department's area of responsibility.

RISK MANAGEMENT DEPARTMENT

The risk management process, organized within the framework of risk management regulations and serving to create a common risk culture throughout the institution, is structured to define risks in line with international regulations and to carry out measurement, analysis, monitoring, and reporting activities accordingly. The Risk Management Department develops the necessary systems to carry out these activities, monitors whether risks comply with policies, standards, and Bank limits, and continues its work to ensure compliance with applicable laws and regulations and Basel standards.

Risk measurements subject to reporting are conducted using standard approaches for legal reporting as well as advanced approaches via internal models, and are further supported by stress tests.

The Risk Management Department submits detailed risk management reports, prepared monthly on a standalone basis and quarterly on a consolidated basis, to the Board of Directors through the Audit Committee. In 2025, in addition to the reports submitted to the Board of Directors, measurement and reporting activities for legal and internal risks and for capital adequacy continued.

Additionally, activities related to the Internal Capital Adequacy Assessment Process (ICAAP) and its reporting were coordinated. In this context, detailed stress tests and scenario analyses were conducted to project capital requirements for future periods.

In 2025, in addition to routine activities, work continued on updating rating models. Reporting infrastructures were enhanced and internal regulations were updated as part of compliance efforts with legal obligations concerning draft regulations published under Basel standards, credit limits, and interest rate risk regulations.

In 2025, the Risk Committee convened four times to discuss ISEDES reporting, risks on a standalone and consolidated basis, updates to internal regulations related to risk management, the impact of regulatory changes, and efforts to develop internal rating models. The Committee reports the results of its activities to the Board of Directors through the Audit Committee.

In 2025, the Audit Committee continued to report to the Board of Directors its opinions on the results of its activities, the measures to be taken, the practices needed, and other matters it deemed important for the secure continuation of the Bank's operations. The Audit Committee oversaw compliance with applicable laws and regulations regarding internal audit, internal control, corporate compliance, and risk management, as well as with the bank's internal policies and procedures approved by the Board of Directors. As a result of its assessments and reviews, the Audit Committee found that the Bank's internal systems were effective, adequate, and functioning as planned, and that internal controls for accounting and financial reporting were effective.

The Audit Committee evaluated the support services and external services for which licenses were obtained, and monitored the follow-up of efforts to implement the necessary measures to more effectively manage the risks in these processes. The results of the independent audit, the annual and quarterly financial statements, and the independent audit reports were evaluated together with the independent auditors. The independence and adequacy of allocated resources of rating agencies, independent audit firms, and valuation firms in their activities related to the Bank were assessed.

When the 2025 activities and operations of the internal systems—comprising internal audit, internal control, corporate compliance, and risk management—are evaluated as a whole, the work performed is considered to be of high quality and satisfactory.

ADVISORY COMMITTEE

2025 INTEREST-FREE BANKING ACTIVITIES

Within the framework of the USD 100 million financing agreement between our Bank and the Islamic Development Bank, which came into effect in 2024 and the details of which are set out in our 2024 annual report, our disbursement transactions aimed at financing projects and investments for the economic and social development of the provinces affected by the earthquake that occurred in Türkiye on February 6, 2023, continued during the 2025 reporting period in compliance with both the relevant legislation and participation principles.

In this context, a total of USD 26.5 million in funds were transferred to eligible companies operating in various sectors in the relevant earthquake-stricken provinces. The financing transactions utilized the “Installment Sale-Based Project Finance” product, developed for financing medium and long-term projects, and the “Ijarah/Financial Leasing” product, also used for medium and long-term transactions. The execution of these credit transactions in accordance with participation principles is ensured through quarterly meetings held pursuant to legislation and through verbal and written communications on a transaction- or event-specific basis between our Committee and the Bank’s relevant units.

Additionally, within the framework of the Murabaha agreement between The Bank and another member of the Islamic Development Bank Group, the ITFC (International Islamic Trade Finance Corporation), the entire USD 50 million facility provided to The Bank for financing domestic and foreign trade, working capital, and short-term commodity purchases has been fully disbursed to eligible customers. The financing transactions were conducted using the Two-Stage Murabaha product.

The product information forms and Approval Certificates for the aforementioned products are available on TSKB’s website.

Within the framework of advisory services provided in the fields of fiqh (Islamic jurisprudence) and law for Installment Sale-Based Project Financing, Ijarah, and Two-Stage Murabaha products; primarily, an Advisory Committee consisting of three people—a chairman, a deputy chairman, and a member—was established. The necessary approvals were obtained from the Bank’s Management and the BRSA, and the Advisory Committee began its duties in 2024. In 2025, the relevant Advisory Committee continued its activities, and the Advisory Committee members were appointed as G. Orhan TAŞTEKİL (Chairman), Dr. Mustafa Dereci (Deputy Chairman), and Assoc. Prof. Dr. M. Salih KUMAŞ (Member); you can access the biographies of the Member, the Deputy Chairman, and the Chairman via this [link](#).

As of 2025, within the scope of the Advisory Committee and legal consultancy activities:

- As required by legislation, four meetings were held at least once every three months, and the topics discussed and their outcomes were recorded in meeting reports.
- In addition to routine meetings, event-based questions arising from implementation processes were resolved in a series of other ad hoc meetings and discussions with the participation of relevant teams,
- The Audit Committee and the Advisory Committee held their annual meeting on February 23, 2026, as stipulated by the Communiqué.

In this context, we, as the TSKB Advisory Committee, hereby inform you that the aforementioned activities, the financing provided for the Installment Sale-Based Project Finance and Two-Stage Murabaha products, and related practices have been carried out in accordance with the Interest-Free Banking Principles and Fundamentals.

This report has been prepared in accordance with the Communiqué on Compliance with Participation Principles, published by the BRSA in the Official Gazette dated December 19, 2025, and numbered 33112.

Certainly, only Allah Almighty knows what is absolutely right.

Respectfully,

**ISFA ADVISORY COMMITTEE
MARCH 5, 2026**

GENERAL ASSEMBLY AGENDA

ORDINARY GENERAL ASSEMBLY MEETING DATED 26.03.2026 AGENDA

1. Commencement, constitution of the Meeting Presidency in accordance with the Articles of Association of the Bank and delegation of authority to the Meeting Presidency for the execution of the minutes of the General Assembly,
2. Review and discussion of the Annual Reports of the Board of Directors and Independent Auditor Reports regarding the accounts and transactions of the Bank within the year of 2025,
3. Review, discussion and approval of the balance sheet and profit and loss statements of the Bank for the year of 2025,
4. Approval of the appointment of the members of the Board of Directors substituting the members leaving their post until the General Assembly,
5. Release of the Members of the Board of Directors,
6. Adoption of a resolution regarding the determination and allotment of the 2025 profit to be distributed,
7. Approval of the transfer of revaluation gains within the scope of provisional article 32 and additional article 298 paragraph (Ç) of the Tax Procedure Law No.213 from extraordinary reserves to the special fund account,
8. Determination of allowance for the Members of the Board of Directors,
9. Election of the Independent Audit Firm and Sustainability Audit Firm,
10. Presentation of the information regarding donations made within the year 2025 and determination of the upper limit for donations to be made within the year 2026,
11. Authorization of the Members of the Board of Directors for the transactions depicted in Articles 395 and 396 of the Turkish Commercial Code,
12. Presenting information regarding the transactions within the scope of Article 1.3.6. of the Corporate Governance Principles of the Capital Markets Board,
13. Presenting information regarding our Bank's sustainability activities in 2025 regarding our Bank's climate transition plan and goals in accordance with Sustainable Development Goals, and information regarding future plans.

DECLARATION OF INDEPENDENCE

To the Board of Türkiye Sınai Kalkınma Bankası A.Ş.;

On the ground that I am a candidate for the independent membership of the Bank on the General Assembly Meeting on March 28, 2024,

a) There is no employment relationship in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management, or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established;

b) In the last five years; I haven't been a shareholder (5% and above), an executive, or a member of the board of directors to assume important duties and responsibilities in the companies which the Bank buys or sells services or products to a great extent within the framework of the agreements made, particularly the Bank's audit (including tax audit, statutory audit, internal audit), its rating and consultancy, in the periods when the service or product is purchased or sold;

c) That I have ample vocational education, knowledge and experience to properly perform duties I'll undertake as can be reasonably expected from an independent Board of Directors Member;

d) That I am not employed by public sector organizations as a fulltime employee as of the date I was nominated to Independent Board of Directors Member and that –in the event I am elected, I will not work as a fulltime employee in public sector organizations throughout the term of my office as Independent Board of Directors Member;

e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,

f) I have strong ethical standards, professional reputation and experience to make a positive contribution to the operations of the Bank, to keep my impartiality in conflicts of interest to arise between the Bank and shareholders, and to make decisions freely by taking into account the rights of stakeholders;

g) I will devote time for the works of the Bank to the extent that I can follow the functioning of the Bank's operations and fully satisfy the requirements of the duties I assumed;

h) I have not acted as an Independent Board Member for more than six years within the last ten years in the Board of Directors of the Bank;

i) I am not an independent member in the Bank or in more than three companies where the shareholders with management control over the Bank hold management control and in more than a total of five publicly traded companies;

j) I am not registered and announced on behalf of the legal person elected as a member of the Board of Directors; and therefore, I will serve as an Independent Member.

Respectfully,

Mehmet Sefa Pamuksuz

Board Member

STATEMENT OF RESPONSIBILITY

March 5, 2026

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

STATEMENT OF RESPONSIBILITY FOR THE INTEGRATED ANNUAL REPORT 2025

Prepared in accordance with the Communiqué on Principles of Financial Reporting in Capital Markets (II-14.1) issued by the Capital Markets Board; TSKB Annual Integrated Report for the period 01.01.2025 - 31.12.2025 comprising financial and non-financial information, key performance indicators and targets; Corporate Governance Compliance Report, Corporate Governance Information Forms and disclosures made pursuant to Sustainability Principles Compliance Framework have been reviewed by us. In this context, we confirm and state that;

Within the framework of our duties and responsibilities in the Bank and the information we have, the Report does not include any untrue statement on material events or any deficiency which may make them misleading as of the date of statement,

As of the reporting period, financial statements and other financial information in the Report honestly reflect the progress and the performance of the business and the financial position of the Bank together with the significant risks and the uncertainties faced,

Non-financial information, targets and key performance indicators do not include any untrue statement,

Corporate Governance Compliance Report, Corporate Governance Information Form and Sustainability Principles Compliance Framework do not include any deficiency or any untrue statement

Sincerely,

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Ece Börü

Chairperson of the Audit
Committee

Banu Altun

Audit Committee Member

Tolga Sert

Executive Vice President
Responsible for Financial
Reporting

Meral Murathan

Executive Vice President
Responsible for Investor Relations

TSRS-ALIGNED SUSTAINABILITY REPORT

196	Compliance Opinion on the TSRS Report
198	About the Report
204	Governance
207	Strategy
222	Risk Management
224	Metrics and Targets

**THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT**





COMPLIANCE OPINION ON THE TSRS REPORT



CONVENIENCE TRANSLATION INTO ENGLISH OF PRACTITIONER'S LIMITED ASSURANCE REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Türkiye Sınai Kalkınma Bankası A.Ş.

We have undertaken a limited assurance engagement on Türkiye Sınai Kalkınma Bankası A.Ş. (the "Bank") [and its subsidiaries (collectively referred to as the "Group")], Sustainability Information on pages 194. to 235. of the Integrated Annual Report ("Sustainability Information") for the year ended 31 December 2025 in accordance with Turkish Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate Related Disclosures".

Our assurance engagement does not extend to information in respect of any other information included in the Integrated Annual Report 2025 or linked to from the Sustainability Information or from the Integrated Annual Report 2025 (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Sustainability Information pages 194. to 235. of the Integrated Annual Report for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023 and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA"). We do not express an assurance conclusion on information in respect of any other information included in the Integrated Annual Report 2025 or linked to from the Sustainability Information or from the Integrated Annual Report 2025, including any images, audio files or embedded videos.

Inherent Limitations in Preparing the Sustainability Information

As discussed in "Calculation Principles of Metrics" on pages 254. to 257. the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Responsibilities of Management and Those Charged with Governance for the Sustainability Information

Management of Group are responsible for:

- The Group management is responsible for the preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

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

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and

- Reporting our conclusion to the Directors of Group.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Group's internal documentation was used to assess and review the information related to sustainability;
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Group's sustainability reporting process.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

Ali Yörük, SMMM
Independent Auditor

Istanbul, 5 March 2026

ABOUT THE REPORT

This Report aims to disclose, within a transparent, comparable, and accountable framework across the value chain, how Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB or the Bank) manages its material sustainability- and climate-related risks and opportunities, and the short-, medium-, and long-term effects of these factors on the Bank's financial position, financial performance, and cash flows, in order to support the decision-making processes of the primary users of general purpose financial reports.

GENERAL PROVISIONS - BASIS OF PREPARATION

The Report covers the financial reporting period of January 1 – December 31, 2025, and is the second TSRS-aligned Sustainability Report published by the Bank. Unless otherwise stated, all financial data is consistent with the consolidated financial statements dated December 31, 2025. All monetary amounts in the Report are denominated in Turkish Lira (TL).

The reporting entity is TSKB, which is listed on Borsa İstanbul (BIST). Yatırım Finansman Menkul Değerler A.Ş.* and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. are included in the scope of this report as consolidated subsidiaries, while TSKB Gayrimenkul Değerleme A.Ş. and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (Escarus) are included as unconsolidated subsidiaries. The Bank has no operations abroad; the Report covers activities conducted in Türkiye.

This Report has been prepared in compliance with the Turkish Sustainability Reporting Standards (TSRS), which were published by the Public Oversight, Accounting and Auditing Standards Authority of Türkiye (POA) in the Official Gazette dated December 29, 2023, and are effective for annual periods beginning on January 1, 2024. In this context, the requirements of TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures have been adopted as the basis for preparation. The disclosures are structured around four core components: Governance, Strategy, Risk Management, and Metrics and Targets. During the reporting period, the Bank's relevant affiliates have also been included in the emissions inventory presented under the Metrics and Targets section.

*Yatırım Finansman Menkul Değerler A.Ş., one of TSKB's subsidiaries, is subject to TSRS obligations. For this reason, Yatırım Finansman Menkul Değerler A.Ş. publishes a separate aligned Sustainability Report, aligning with its own organizational boundaries. The report for the initial reporting year of 2024, published on August 1, 2025, can be accessed on their corporate [websites](#).

TRANSITION EXEMPTIONS

During the reporting period, TSKB only benefited from the transition exemption under Article E4 of TSRS 1. The Bank published its TSRS-aligned Sustainability Report in March 2026, after disclosing its financial statements for the period January 1, 2025 – December 31, 2025.

FAIR PRESENTATION AND RELATED INFORMATION

The qualitative characteristics of information defined in TSRS 1 were taken into account in the preparation of this Report. Care has been taken to ensure that the disclosures are relevant, complete, unbiased, accurate, and verifiable, in accordance with the principle of fair presentation. The disclosures have been prepared within the framework of a financial materiality approach, based on the information needs of primary users. The information has been presented to ensure the principles of comparability, understandability, and timeliness.

Accordingly, risks and opportunities that could reasonably be expected to affect the Bank's future financial adequacy have been quantitatively disclosed through annual targets, linked where possible to the six capital dimensions—primarily financial, natural, and social—in its business model. In cases where quantitative measurement was not possible, qualitative disclosures and contextual information have been provided.

COMPARATIVE INFORMATION

The amounts included in the financial disclosures related to risks and opportunities that could reasonably be expected to affect the Bank's future financial adequacy are presented comparatively with the amounts for the previous period, the 2024 financial year. As part of the comparative presentation, indicators related to metrics, targets, and the current and anticipated financial effects of sustainability-related risks and opportunities have been shared to support the understandability of the disclosures.

MATERIALITY ASSESSMENT

To manage its sustainability-related risks, including climate, and to capitalize on opportunities, TSKB addresses its impacts and dependencies on the climate and environment, as well as the connections between risks and opportunities, in a holistic manner. Accordingly, in its processes for responding to risks, adapting to developments, and creating opportunities, the Bank prioritizes risks and opportunities that have a material financial or strategic impact. TSKB defines a material impact as an effect that could cause a significant operational, financial, or strategic change in the Bank's activities and identifies it to represent all sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's future financial adequacy.

The Bank's process for identifying financially material sustainability-related risks and opportunities and determining the material information to be reported is based on estimates and forward-looking information that include its short-, medium-, and long-term expectations for Tier I Capital, a key sectoral performance indicator. Similar to 2024, during the reporting period, any impact corresponding to 3% of the Bank's Tier I capital was defined as a material impact and approved by senior management, based on analyses conducted by the Risk Management, Budget Planning, and Climate Change and Sustainability Management departments.

The material impact threshold is calculated separately for each year in projection studies that also feed into scenario analyses, and the degree of materiality of the relevant risks and opportunities is determined. Risks and opportunities that may have a material impact are assessed and monitored within specific limits and within the framework of the risk policy. The material impact threshold is based on capital levels and other regulatory thresholds that may change over time. The material impact threshold is reviewed periodically, at least once a year, and the related projection studies are updated as deemed necessary.

SIGNIFICANT JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

The Bank's process for identifying financially material sustainability-related risks and opportunities and determining the material information to be reported is based on estimates and forward-looking information that include its short-, medium-, and long-term expectations for Tier I Capital, a key sectoral performance indicator. Such assessments require the use of assumptions and estimates for certain amounts that cannot be directly measured.

While the assumptions regarding operational boundaries and emissions calculations are provided in the "Basis of Calculation for Metrics" section, information on the metrics is disclosed in the relevant section.

Scenario-based assessments are conducted to analyze the possible outcomes of future events under conditions of uncertainty, with the aim of identifying vulnerable assets and portfolio exposures in the areas of transition and physical risk and forecasting their potential financial impacts on the Bank. During the reporting period, to assess the physical and transition impact dimensions of sustainability-related risks and opportunities, the Bank used global climate scenarios such as the IEA Announced Pledges Scenario and the Paris Agreement-aligned IPCC RCP 4.5 and 8.5, as well as model outputs developed by research organizations like BloombergNEF. These scenarios include projections regarding sectoral greenhouse gas emission growth trends, carbon prices, and the frequency and intensity of climate events, and they contain measurement uncertainty due to variability in climate models and the course of physical climate change impacts. Other significant judgements and measurement uncertainties are also specified in the relevant sections of the Report.

INDUSTRY-BASED GUIDANCE RESOURCES

In the Report, the topic of "Integration of Environmental, Social, and Governance Factors in Credit Analysis," which is under the heading of Sustainability Disclosure Topics and Metrics in accordance with TSRS 2 Industry-Based Guidance Volume 16 - Commercial Banks, has been included. However, activity metrics related to customer distribution by segment have not been included in the report as they are not suitable for the development banking business model. For reporting greenhouse gas emissions data, the ISO 14064-1 Greenhouse Gas Calculation and Verification Standard, used since 2012 under the Sustainability Management System (SMS), continues to be applied; additionally, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) methodology has been included in the calculation framework, in line with TSRS 2 requirements. Within the emissions inventory, the Partnership for Carbon Accounting Financials (PCAF) methodology was used to calculate Scope 3, Category 15 - financed emissions. Additionally, the PCAF methodology was utilized to calculate the performance of SBTi-approved science-based targets. Furthermore, the expectations set forth in the "Guidance on the Management of Climate-Related Financial Risks," published by the BRSA in July 2025, were also referenced in the disclosure of climate-related risks and opportunities. The Transition Plan, which is aligned with the Transition Plan Taskforce (TPT) framework, as required to be disclosed under TSRS 2, is provided on page 265.

INDEPENDENT ASSURANCE

The information presented in the Report has been subject to a limited assurance engagement by PwC Bağımsız Denetim ve SMMM A.Ş. in accordance with ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements." The Independent Auditor's Limited Assurance Report is provided on page 196.

THE REPORTING ENTITY

Business Model

Since 1950, TSKB has been supporting Türkiye’s sustainable and inclusive development through its corporate banking, investment banking, and advisory services business lines. With its long-standing collaborations with international development finance institutions and financial organizations, over 75 years of experience, and technical capacity, the Bank places supporting economic transformation in impact-oriented areas at the core of its business model. These areas include combating climate change, supporting the transition to a low-carbon economy, financing climate- and environmentally-friendly investments, inclusive growth, equal opportunity, and the creation of qualified employment. A pioneer in meeting the long-term financing needs of the private sector, TSKB develops solutions based on emerging needs and customer demands. The Bank’s head office is located in Istanbul, and a second headquarters was opened in Ankara in 2023.

The key inputs of TSKB’s value creation model are strong liquidity position, diversified, long-term funding sources, high capital adequacy ratios, technical expertise, and international partnerships. These inputs are transformed into financing, investment, and advisory activities in line with an approach of resilient financial performance that is aligned with its targets. Collaborations developed with international financial institutions support the diversification of the funding structure and the use of impact-oriented financing instruments.

The Bank conducts its operations in three main business lines with its subsidiaries and affiliates.

Financing, investment, and advisory activities, structured around sustainability, are carried out within the framework of sustainable finance targets aligned with the Sustainable Development Goals, forming the output and impact dimension of the value creation model. These targets are reviewed regularly, and the Bank expands its areas of impact in parallel with changing needs.

The free-float ratio of TSKB’s shares, traded on the Borsa İstanbul (BIST) Stars Market under the ticker “TSKB,” is 41.2%. As of year-end 2025, the Bank’s registered capital is TL 7,500,000,000, and its paid-in capital is TL 2,800,000,000.

The organizational boundaries for the business model and value chain disclosures within the scope of the Report have been determined based on the operational control approach and are structured in line with the financial reporting consolidation boundary. Within this framework, the sustainability impacts and climate-related risk exposures arising from the activities of subsidiaries have been included in the consolidated assessments, taking into account data availability and measurement capacity. Affiliates have been included in the greenhouse gas inventory study within the framework of TSRS 2, paragraph 29(a)(iv). In determining the inventory scope in line with TSRS requirements, the parent company, TSKB, and its subsidiaries subject to consolidation were treated as a single group. Unconsolidated subsidiaries and affiliates were reported in separate categories as investments outside the scope of consolidation.

Key Financial Indicators	2024	2025
Total Assets (TL million)	231,260	326,657
Loan Portfolio (TL million)	166,418	235,880
Shareholders' Equity (TL million)	32,479	45,651
Total Number of Employees Including Subsidiaries	795	828

Subsidiaries	Sector	Area of Activity	Ownership / Share Ratio (%)	Capital (TL)	Financial Statement Consolidation*
Yatırım Finansman Menkul Değerler A.Ş.	Financial Institutions / Brokerage Firms (Capital Market Institution)	To engage in capital market activities specified in the Company's articles of association, in accordance with the Capital Markets Law and related legislation.	95.78	400,000,000.00	Yes
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	Financial Institutions / Real Estate Investment Trusts	Main area of activity is to create and develop a real estate portfolio and to invest in real estate-based capital market instruments.	88.61	650,000,000.00	Yes
TSKB Gayrimenkul Değerleme A.Ş.	Real Estate Appraisal Services	In addition to CMB and BRSA licenses, it holds RICS certification and provides appraisal/valuation services for green building investments.	100	1,500,000.00	No
TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (Escarus)	Advisory Services	Provides advisory services in the areas of strategic and operational sustainability; research, reporting, and training; and indexing and assessment.	100	6,478,899.00	No

* Due to the difference between the consolidation procedures required by the “Communiqué on the Preparation of Consolidated Financial Statements of Banks” and the Turkish Accounting Standards, non-financial subsidiaries are not consolidated as they are not considered financial institutions under the relevant communiqué. These non-financial subsidiaries are accounted for in the consolidated financial statements using the equity method. The Bank and its financial subsidiaries, Yatırım Finansman Menkul Değerler A.Ş. and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., have been included in the consolidated financial statements using the full consolidation method.

Associates*	Sector	Area of Activity	Ownership / Share Ratio (%)	Capital (TL)	Financial Statement Consolidation*
İş Finansal Kiralama A.Ş.	Financial Institutions / Leasing and Factoring Companies	Conducts financial leasing transactions.	29.46	695,302,645.00	Yes
İş Faktoring A.Ş.	Financial Institutions / Leasing and Factoring Companies	Conducts domestic and international factoring transactions.	21.75	150,000,000.00	Yes
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Financial Institutions / Venture Capital Investment Trust	Makes capital investments in venture companies.	17.69	85,048,841.00	No
Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	Industry / Basic Metal Industry	Conducts metal production and processing activities.	17.83	1,757,500.00	No
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	Transportation and Storage / Licensed Warehousing	Provides licensed warehousing services for agricultural products.	10.05	15,476,226.00	No

* Due to the difference between the consolidation procedures required by the “Communiqué on the Preparation of Consolidated Financial Statements of Banks” and the Turkish Accounting Standards, non-financial affiliates are not consolidated as they are not considered financial institutions under the relevant communiqué. These non-financial affiliates are accounted for in the consolidated financial statements using the equity method. The parent company, the Bank, and its financial affiliates, İş Finansal Kiralama A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., and İş Faktoring A.Ş., have been included in the consolidated financial statements using the equity method.

VALUE CHAIN

The Bank's value chain structure is addressed with a holistic flow that, due to the nature of its development banking business model, starts from funding sources and extends through financing and investment decision-making mechanisms to the real sector and project portfolio. The value chain assessment is structured to cover not only the parent company's activities but also the investment, real estate, fund, and advisory activities conducted by its subsidiaries within the financial reporting consolidation boundary.

The scope of the value chain is similar to the scope of the Stakeholder Analysis conducted in 2024. Accordingly, the value chain includes public finance institutions, financial institutions, customers, affiliates, investors, suppliers and subcontractors, academic stakeholders and NGOs, the board of directors and senior management, and employees.

The primary impact area of the business model is the loan and investment portfolio. Therefore, the main layer where sustainability- and climate-related impacts translate into financial results is defined in the downstream value chain and is positioned at the center of the materiality analysis. Investment and fund activities carried out through subsidiaries are considered complementary elements to this impact area.

Value Chain Component	Sub-Element		Area of Activity
Upstream	Funding Sources		Financing, capital, guarantee, and funding provider structures utilized by the Bank to support its operations and strengthen its sustainable financing capacity: • Republic of Türkiye Ministry of Treasury and Finance • Development Finance Institutions • Financial Institutions • Investors
	Goods and Services Suppliers and Subcontractors		External product and service providers for items such as technological equipment, advertising, security services, energy, cleaning, advisory, stationery, and logistics
Direct Operations	Main Business Lines	Parent Company and Financial Subsidiaries (YF and TSKB GYO)	Corporate Banking, Investment Banking, and Advisory Services
	Other Business Lines	Non-Financial Subsidiary (Escarus and TSKB GMD)	Sustainability Advisory Services Real Estate Appraisal Services
	Business Partners and Stakeholders		Board of Directors and Senior Management, Employees, Affiliates, Public Institutions, Academic Stakeholders, NGOs, etc.
Downstream	Clients		Corporate clients, project owners, and investors who benefit from financing and advisory services; end-users of loan, project finance, advisory, and thematic financing products

GOVERNANCE

SUSTAINABILITY GOVERNANCE

For TSKB, a development bank, sustainability is not only a fundamental approach that shapes its business conduct and stakeholder interactions but also the main focus of its products and services. The concept of sustainability is integrated into TSKB's entire value creation model and is becoming increasingly important.

The fundamental framework of TSKB's sustainability management system is its Sustainability Policy, first published in 2012 and subsequently updated in line with developments and stakeholder expectations.

Additionally, 11 different policies developed and implemented in the environmental, social, and governance (ESG) focus areas detail TSKB's sustainability management principles. Among these complementary policies, the Environmental and Social Impact and Risk Management Policy includes the Exclusion List, in line with responsible banking principles.

In February 2026, the Sustainability Policy and its complementary policies were updated to reflect the expectations of funding institutions, ESG rating methodologies, local and global developments, and the Bank's evolving practices. Additionally, the Nature and Biodiversity Policy, developed for the protection of nature and biodiversity—identified as a material topic in last year's stakeholder analysis—has been included among the complementary policies of the Sustainability Policy. Oversight of the Sustainability Management System is conducted periodically through both internal audit processes and annual external ISO 14001 audits. The relevant policies can be accessed [here](#).

As a key component of TSKB's strategy, the focus on sustainability was incorporated into the strategic plan for the reporting period, addressing themes such as sustainable development, combating climate change, nature and biodiversity, and adaptation, in light of national and international developments like the Carbon Border Adjustment Mechanism (CBAM), the Emissions Trading System (ETS), and the Green Asset Ratio (GAR).

At TSKB, sustainability management is carried out through a multi-layered distribution of responsibility, extending from the Board of Directors to the operational units. Decisions made by the relevant bodies at the strategic level are translated into projects and practices at the operational level, thereby driving sustainability performance.

Detailed information on the distribution of responsibilities for sustainability management, the operational structure of relevant bodies, and their working principles can be accessed [here](#).

SUSTAINABILITY COMMITTEE

The TSKB Sustainability Committee is the highest governance body responsible for implementing the strategies and targets set in line with sustainability objectives.

Established in 2014, the Sustainability Committee, as of the reporting period, conducts its work with the participation of four Board of Directors members, the CEO, and two Executive Vice Presidents, one of whom is the Sustainability Leader. Committee members are selected based on their academic and professional competencies, ensuring they can develop and oversee strategies for managing sustainability-related risks and opportunities, particularly those concerning climate.

The Sustainability Committee ensures the coordination of business plans and activities developed within the scope of the Bank's sustainability strategy, vision, and targets, including climate change mitigation and adaptation, at the Board of Directors level. The Committee oversees the prioritization and management of sustainability-related risks and opportunities, including those related to climate. It ensures that short-, medium-, and long-term targets are set to assess the Bank's sustainability performance, and it monitors progress toward these targets. It oversees the submission of the Sustainability Policy and its complementary policies to the Board of Directors for approval and ensures the integration of approved policies into all business processes.

Ms. Ece Börü, who served as TSKB's CEO from August 2020 to April 2022, led the Bank's sustainability efforts, including the management of climate risks and opportunities, which gained momentum with the establishment of the Climate Risks Working Group in 2020.

CEO Mr. Ozan Uyar, the sole executive member of the Sustainability Committee also representing the Board of Directors, leads key milestones in TSKB's sustainability journey. Mr. Uyar is also a member of the Boards of Directors of ERTA and UN Global Compact Türkiye, and a member of the Advisory Board of Chapter Zero Türkiye, all of which are among the leading initiatives in the field of sustainability.

Mr. Mithat Rende, who was the Deputy Director General of Energy, Environment and Water Affairs in 2005 and chaired the Trade and Transit Working Group of the Energy Charter Conference in Brussels from 2005 to 2008, served as the Chief Negotiator for Climate Change and a member of the Turkish Nuclear Energy Commission from 2010 to 2013.

Mr. Murat Bilgiç, who served as TSKB's CEO from April 2022 to July 2025, led sustainability initiatives such as the Bank's 2022 Net-Zero Banking commitment and the target-setting processes approved by the Science Based Targets initiative (SBTi).

Executive Vice President Ms. Meral Murathan, a member of the Committee, serves as TSKB's Sustainability Leader, responsible for positioning sustainability activities within the strategic plan, guiding sustainability initiatives, and representing the Bank in sustainability communications.

The Committee met twice in 2025 to coordinate business plans and activities developed in line with the sustainability strategy, vision, and targets, and to closely monitor the activities of the Sustainability Management Committee and the Climate Change and Sustainability Management Directorate, which serves as the Committee's secretariat.

During the reporting period, the Committee conducted review, oversight, and approval activities related to policy revisions, long-term targets, commitments and performance, the Nature and Biodiversity roadmap, TSKB's Code of Ethics, and the TSRS-aligned Integrated Annual Report. At the General Assembly Meeting to be held in March 2026, shareholders will be informed about the sustainability activities carried out in 2025 and the plans for the upcoming period, in line with the climate transition plan and the targets aligned with the Sustainable Development Goals.

The Committee is informed at least twice a year regarding the targets publicly disclosed by TSKB. Committee members evaluate the action plans of the responsible teams for areas where targets were not met or performance was not aligned with goals.

The Climate Change and Sustainability Management Directorate regularly informs the Committee about changes in regulations and directives throughout the year, as well as developments concerning sustainability and climate risks, as they occur.

Sustainability-linked metrics and targets have been integrated into the remuneration policies for the executive members of the Committee.

Following budget discussions, sustainability-linked targets constitute 46% of the overall targets set for the entire Bank, including senior management. These targets, which are also linked to risks and opportunities expected to materially affect the Bank's financial performance during the reporting period, relate to sustainable funding, the SDG-linked loan portfolio, portfolio temperature score, digital efficiency, and human capital.

SUSTAINABILITY MANAGEMENT COMMITTEE

The Sustainability Management Committee, established to disseminate sustainability activities throughout the Bank and integrate them into various business processes in line with TSKB's sustainability vision, strategy, targets, and business plans, convenes at regular intervals.

The committee, composed of the TSKB CEO, Executive Vice Presidents directly involved in sustainability, directors, and employees of the Climate Change and Sustainability Management Department, supports the execution of the Bank's activities in alignment with the vision, strategy, and targets set by the TSKB Sustainability Committee.

Coordination of internal integration within the sustainability governance structure is carried out by the Climate Change and Sustainability Management Department, established in February 2024. The Directorate works in close collaboration with various business units to establish oversight and control mechanisms for identifying, assessing, and monitoring sustainability-related risks and opportunities, including those related to climate, and to ensure the integration of these mechanisms into the Bank's credit allocation, risk management, and strategic decision-making processes.

INTEGRATION OF SUSTAINABILITY INTO THE BANK'S SCORECARD

Sustainability-linked targets constituted 46% of the targets in TSKB's 2025 scorecard.

2025 COMMITTEE AGENDAS

Legal Regulations and Developments

- Climate Law
- Draft Türkiye Green Taxonomy Regulation
- Draft Regulation on the Türkiye Emissions Trading System (ETS)
- Draft Carbon Crediting and Offsetting Regulation
- BRSA Guidelines on the Management of Climate-Related Financial Risks
- BRSA Communiqué on the Green Asset Ratio
- Turkish Sustainability Reporting Standards
- Net-Zero Banking Alliance decisions
- COP 30 & COP 31
- 2025 Law Amendments (Amendments to the Environment, Mining, Pasture, Electricity, and Renewable Energy Laws by Law No. 7554)
- Amendments to the Environmental Impact Assessment (EIA) Regulation
- Water Efficiency Regulation
- Industrial Emissions Management Regulation

TSKB-SPECIFIC DEVELOPMENTS AND TOPICS

- Integrated Annual Report aligned with the Turkish Sustainability Reporting Standards
- Nature and Biodiversity Roadmap
- The Bank's Green Asset Ratio
- Science-based emission reduction targets
- 2050 net-zero roadmap and interim targets
- Long-term sustainable finance targets
- Sustainability strategy
- Climate-based scenario analyses
- Compliance with the Guidelines on the Management of Climate-Related Financial Risks

In 2025, global and domestic developments in sustainability were closely monitored, and associated risks and opportunities were assessed. Experiences were shared at stakeholder events attended by public and private sector representatives, and contributions were made to regulatory authorities' rulemaking efforts and action plans.

CLIMATE CHANGE AND SUSTAINABILITY MANAGEMENT DIRECTORATE

In February 2024, the Climate Change and Sustainability Management Directorate was established to centralize TSKB's sustainability efforts, create a dynamic structure responsive to national and international developments, and effectively monitor and manage the Bank's portfolio in line with long-term targets and commitments. The Directorate's responsibilities are structured under five main working areas.

Throughout the year, the Climate Change and Sustainability Management Department informed the Sustainability Management Committee and the Sustainability Committee, for which it serves as the secretariat. To enhance internal technical capacity, informational meetings and internal training sessions were organized with the participation of relevant departments.

Information and brainstorming meetings were held with the participation of various teams on topics such as the SDG Mapping Model, the Nature and Biodiversity Roadmap, the Green Asset Ratio Communiqué, the Turkish Sustainability Reporting Standards, and emissions practices in Türkiye and the European Union, leading to initiatives that contribute to TSKB's strategy.

As a stakeholder in the Credit Committee meetings where credit decisions are made, the Directorate presents the impact and potential trade-offs of each project on TSKB's long-term commitments and targets. It also conducts analyses that contribute to the integration of sustainability-related risks and opportunities, including climate, into senior management's decision-making processes.

Oversight of the sustainability governance structure, including the Committees and the Climate Change and Sustainability Management Directorate, is carried out through internal audit processes conducted during the year and annual external audit services.

Through these mechanisms, senior management actively fulfills its responsibility for monitoring, managing, and controlling sustainability-related risks and opportunities, including climate, and provides necessary guidance.

STRATEGY

TSKB addresses the impacts of sustainability-related risks and opportunities on its business model, value chain, and financial structure from a strategic perspective. This section has been prepared in accordance with TSRS 1 and TSRS 2 standards to explain where risks and opportunities are concentrated in the value chain, how they are integrated into strategy and decision-making processes, the strategy for managing these risks and opportunities, and how resilience to these risks is assessed.

IDENTIFICATION OF RISKS AND OPPORTUNITIES

Material Topics

The process of identifying sustainability-related risks and opportunities, guided by sources such as TSKB's corporate strategies, national and international banking and finance sector examples, global trends, SASB Standards, and the World Economic Forum (WEF) Global Risks Report, was conducted from a financial materiality perspective. The financial prioritization analysis is the first step in TSKB's approach to managing sustainability and climate risks and opportunities in compliance with TSRS. This assessment was conducted to determine whether sustainability and climate-related risks and opportunities could have a financial impact on TSKB in the short, medium, and long term.

To analyze the potential financial impacts of TSKB's climate and sustainability-related risks and opportunities, an assessment was made as to whether sustainability and climate topics have or are reasonably expected to have a material financial effect on TSKB. The risks and opportunities identified under each material topic were assessed based on their likelihood of occurrence and the magnitude of their potential financial impact in the short, medium, and long term.

Material Topics

Sustainable Financial Performance

Management of Climate Risks and Opportunities

Ethics, Legal Compliance, and Anti-Corruption

Supporting the UN SDGs

Cybersecurity and Data Privacy

Effective Risk Management

Customer Experience

Stakeholder Capitalism and International Partnerships

Environmental and Social Impact Monitoring and Reporting

Protection of Nature and Biodiversity

TERM DESCRIPTIONS

The Bank defines short, medium, and long term horizons for its strategy and projection studies, including those related to climate.

Short <1 year

The Bank defines the short term as a period of up to one year.

The Bank monitors the targets set within its medium- and long-term strategy on a monthly basis. It repeats its scenario analyses for sustainability-related risks and opportunities, including climate, on an annual basis. By continuously monitoring its portfolio from an environmental, social, and climate risk management perspective, TSKB can detect any misalignments affecting its performance or resilience at an early stage and incorporate necessary actions into its business plan.

Medium 1-5 years

The Bank defines the medium term as a period of one to five years.

In the one- to five-year period, the Bank takes strategic steps to adapt to acute physical risks and new regulations while assessing climate and sustainability-related risks. Developments in national and international legislative framework expected to be rapidly enacted in the coming period are projected to affect the country's economy in the medium term. In this context, the Bank must closely follow developments and align its strategy accordingly to continue supporting Türkiye's sustainable and inclusive development. To this end, the Bank actively participates in national and international initiatives, contributing to relevant efforts and shaping its future plans.

Long >5 years

The Bank defines the long term as a period of five years or more.

TSKB, which announced a commitment in 2022 to achieve net-zero emissions from its own operations while aligning its portfolio with net-zero emissions, is developing its strategy and setting targets accordingly. This period is a critical timeframe for taking strategic steps to achieve SBTi-approved emission reduction targets and meet SDG-linked loan disbursement targets. The long-term strategy is crucial both for minimizing sustainability risks, including climate, and for capitalizing on opportunities that arise during the transition process. Negotiations with development finance institutions and international financial organizations, which are among the Bank's most important stakeholders, are also conducted in line with this strategy.

Following the assessments, the management of climate risks and opportunities, which is among the high-priority topics due to its direct connection to the Bank's business model and loan portfolio, has been identified as a material topic that could reasonably impact financial performance, cash flows, access to finance, and cost of capital in the short, medium, and long term.

CLIMATE RISKS AND OPPORTUNITIES

Climate risk refers to the economic, social, and environmental consequences of the adverse effects arising from climate change. For financial institutions, these effects can create significant financial risks in the short, medium, and long term. The Bank makes rational and strategic decisions by considering the climate risks in its area of operation. Risks arising from climate change are classified as physical and transition risks. The Bank considers these risk factors when formulating and implementing its business strategies and assesses their potential impacts on its business model.

The impacts of climate risks on the Bank are examined from the perspective of direct and indirect effects. Direct risks focus on the impacts of climate change on the Bank's operations and activities, while indirect risks focus on the impacts of climate change on the Bank's products, services, and loan portfolio. Within the scope of the analyses conducted, the likelihood and impact severity of risks and opportunities are assessed in the short, medium, and long term.

In line with the TCFD guidelines, which are now part of the IFRS Foundation, TSKB analyzes the physical and transition risks from climate change in its loan portfolio and assesses short-, medium-, and long-term risks and opportunities.

Physical Risks

Physical risks arise from the potential physical impacts of climate change on organizations' assets, operations, workforce, supply chains, and markets. These risks can arise from sudden events (acute) or long-term changes in the climate (chronic) and can therefore have medium- and long-term impacts as well as short-term ones. The climate-related hazards that can cause chronic and acute risks, listed below, are based on the analysis set used in the Bank's Climate Risk Evaluation Tool (CRET).

Acute Risks

- Heat Wave
- Landslides
- Wildfires
- Heavy Rainfall and Flooding
- Severe Winds

Chronic Risks

- Water Stress
- Sea Level Rise
- Meteorological Drought

Transition Risks

Transition risks refer to the potential risks arising from the process of transitioning to a low-carbon economy. This process may involve policy, legal regulations, technological innovations, and market changes aimed at meeting emission reduction and adaptation needs related to climate change. The nature, speed, and focus of these changes can lead to varying degrees of financial and reputational transition risks for organizations. In this context, risks can stem from regulatory and legal obligations, the transformational pressure created by the shift to low-carbon technologies, market shifts in supply and demand dynamics, and changes in stakeholder perceptions of the organization's position in the transition process.

Due to the nature of its business model, the Bank's most significant area of impact is its loan portfolio. In this context, using a heat map methodology based on the CRET, the Bank conducted a loan portfolio analysis to holistically assess the portfolio's exposure to physical and transition risks as of year-end 2025. Taking into account the sectoral distribution of the portfolio, physical and transition risk categories with the potential for material financial impact were identified, and a climate-related risk and opportunity inventory was created accordingly.

The risk and opportunity inventory created in 2024, when TSRS obligations were implemented, was reassessed through the annual review conducted in 2025. As a result of the review, no new risk or opportunity topics were added to the inventory; the validity of existing topics and their corresponding action and control processes was maintained.

According to the inventory, no risk with a material climate-related impact was identified in the short term. In the medium and long term, risks arising from direct operations and from climate-related physical impacts that could affect customers, suppliers, and service providers in the value chain were assessed as having low materiality.

On the opportunities side, those related to direct operational activities were also assessed as having low materiality.

It has been observed that short-, medium-, and long-term opportunities are primarily linked to risks and/or to potential new collaborations that may emerge within the evolving ecosystem.

All subsidiaries, both consolidated and unconsolidated, were included in the process of creating the risk and opportunity inventory. On the opportunity side, the increase in demand for advisory services on managing sustainability risks and opportunities, driven by strengthening climate regulations in national legislation, was assessed on a consolidated basis.

Yatırım Finansman, one of the Bank's subsidiaries, is subject to TSRS reporting. As it does not have risks and opportunities with a material impact on TSKB's financial performance, the scenario analysis outputs for its risks and opportunities are not separately addressed in this report. Yatırım Finansman shares the results of its scenario analyses for its material risks and opportunities in its own report.

Within the inventory, risks and opportunities with a material financial or strategic impact on the Bank's performance have been identified separately. The Bank's environmental, social, and climate-related risk evaluation tools—ERET, CRET, and the Heat Map methodologies—were used in the materiality analysis.

MANAGING ENVIRONMENTAL, SOCIAL, AND CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LENDING ACTIVITIES

The Bank conducts analyses using a heat map and the Climate Risk Evaluation Tool (CRET) to assess the resilience of its loan portfolio to climate-related risks. Additionally, it assesses the environmental and social risks of all loans using the environmental and social risk evaluation tool.

The Bank analyzes the impact of each loan on its SBTi targets to determine the alignment of its financing structure. Loans are examined within the scope of long-term sustainable finance targets and the SDG Mapping Model. CRET scores, Heat Map results, and performance against SBTi targets are updated monthly in line with loan applications and presented to the Credit Committee to show their potential impact on the portfolio.

Thus, a current situation analysis is conducted for climate risks and opportunities, and the potential future impact on the portfolio is assessed within the framework of the targets. According to the climate risk assessments, sectors with high exposure to climate risks are closely monitored, and sector-specific scenario analysis studies are conducted. In the context of all these activities, the Bank aims to manage the environmental and social impacts of its portfolio and enhance its climate resilience.

ELEMENTS INTEGRATED INTO THE CREDIT ASSESSMENT AND DECISION-MAKING PROCESS

1. Environmental and Social Risk Evaluation Tool (ERET)
2. Climate Risk Evaluation Tool (CRET) – Heat Map
3. Portfolio Temperature Score Analysis
4. SDG Analysis

ENVIRONMENTAL AND SOCIAL RISK EVALUATION MODEL (ERET)

In 2005, to measure the environmental and social risks of investment projects, TSKB designed the Environmental and Social Risk Evaluation Tool (ERET) based on the standards of international development finance institutions and the Equator Principles, and began implementing it in 2007.

ERET assesses the risks of companies and investment loans in the portfolio from multiple perspectives, ranging from natural resources and water use to factors such as waste management, air quality, and emissions. Additionally, health and safety risks, land use, and impacts on cultural heritage and biodiversity are also examined. Other important elements included in the ERET assessment are monitoring and reporting practices for greenhouse gas emissions, as well as topics such as the ISO 14064 greenhouse gas management system and the ISO 50001 energy management system. This analysis identifies customers' environmental impacts and dependencies, determining areas where they are vulnerable to risks. Based on the results, areas for improvement are identified for customers where necessary, and a customized action plan is prepared for them. The gender sensitivity of the prepared plans and actions taken is also an important consideration. The Model, which is regularly reviewed, uses questions to rate companies' energy and water consumption and greenhouse gas emissions, and to assess projects' sensitivity to climate change-related risks.

ERET assessments are included as a notching criterion in the Bank's internal rating model. Thus, ERET results, through the internal rating system, are incorporated into expected credit loss calculations, shaping the Bank's financial position.

CLIMATE RISK EVALUATION TOOL (CRET)

The Bank developed CRET to assess climate risks in its credit decision-making processes, conduct comprehensive analyses, and support its development banking strategy. This tool separately scores the transition and physical risks of the investment and operating loans of customers in the portfolio.

The scores, classified into five main categories, are finalized by the Bank's experts based on the model's results, taking into account customers' adaptation capacity, current physical conditions, action plans, and strategies.

In developing CRET, support was received from Escarus and academic experts in climate and environmental risks. This system, launched as a pilot in 2021, was fully implemented in 2022 following improvements.

Transition risks are measured in accordance with UNEP FI methodologies. The risks that sectors classified by NACE codes may face during the transition to a low-carbon economy are assessed. It considers the sector's emission intensity, companies' awareness of environmental risks and opportunities, their emission reduction and adaptation efforts, and their future investment plans.

Physical risks are assessed for every sector in all regions of our country over the short, medium, and long term, considering nine different climate risks. The assessment study considered the IPCC's RCP 4.5 and RCP 8.5 scenarios. The Physical CRET calculates the final score by combining factors related to climate hazards, environmental dependencies, exposure, sensitivity, and adaptation capacity. The CRET results, which are integrated into decision-making processes by being considered in the Credit Committee, aim to identify climate-related risks at an early stage and to manage and mitigate their financial impacts. The tools used to measure climate risks have a dynamic structure that is constantly evolving internationally. TSKB continues to closely monitor relevant international innovations and best practices to enhance the effectiveness of the CRET methodology.

CRET Transition Risks

The Transition CRET assesses transition risks in line with UNEP FI methodologies, also incorporating the opinions of the Bank's experts. In this process, the Bank's sector experts analyze how sectors in the NACE classification, particularly those sensitive to climate change, will be affected by the transition to a low-carbon economy. During the assessment, factors such as companies' awareness of climate risks and opportunities, their emission reduction and adaptation efforts, and future investment plans are also taken into account. The Bank uses the final results to determine applicable action plans and considers them in

its risk management processes as well as in the implementation of its existing net-zero targets. The Bank is working to integrate carbon pricing studies into its transition risk assessment process.

Transition Risk Factors:

- Direct emission costs that may arise from political and regulatory developments
- Indirect emission costs that may arise from carbon pricing
- Changes in consumer behavior and revenue losses or gains
- Increased capital expenditures due to the transition to low-emission technology

CRET Physical Risks

Physical risks are operational threats faced by all sectors globally. The region and geographical conditions where companies operate play a critical role in determining their sensitivity to climate hazards and, consequently, the magnitude of the risk. The Physical CRET analyzes potential climate hazards that companies may face and their changes over time by assessing them at the regional and provincial levels.

For the RCP 4.5 and 8.5 scenarios from the Intergovernmental Panel on Climate Change (IPCC), which are frequently used in international studies, the Physical CRET assesses the nine different climate hazards listed on the side for two different periods, 2021–2040 and 2041–2060, separately for each sector in all provinces of our country.

The location-based data used in the physical risk module of CRET is obtained from the Climate Water Project of the Republic of Türkiye Ministry of Agriculture and Forestry and from global sources (data provided by Aqueduct, Copernicus, and NASA). The Physical CRET generates the final score by combining factors related to climate hazards, exposure, sensitivity, and adaptation capacity. Through this approach, the Physical CRET provides a detailed and comprehensive assessment for customers and credit projects, using two climate scenarios, two different periods, 81 different locations, various sectors, and adaptive capacity scoring. Based on the results, companies may be requested to provide action plans related to risk management. Additionally, the tools, models, and physical risk data sources used are continuously reviewed, and the CRET scoring model is updated as necessary.

Physical Risk Factors:

- Average Temperature Increase
- Meteorological Drought
- Severe Winds
- Heat Waves
- Wildfires
- Severe Precipitation and Flooding
- Water Stress
- Landslide
- Sea Level Rise

Transition Risks Heat Map

As of year-end 2025, 14.6% of the Bank's total loan portfolio is in sectors with moderately high transition risk, and 7.6% is in sectors with high transition risk.

A significant portion of the sectors with moderately high transition risk includes iron and steel (EAF), chemicals, textiles, and paper/cardboard production.

Detailed analyses are conducted for sectors considered to have high transition risk, such as thermal power plants, natural gas combined-cycle power plants, iron and steel (BOF), cement, glass-ceramics, and petroleum and petrochemicals. In these sectors, scenario analyses are performed to determine how they will be affected by regulations and developing technologies, as direct and indirect emission costs, as well as additional investment and operating costs, are expected to arise.

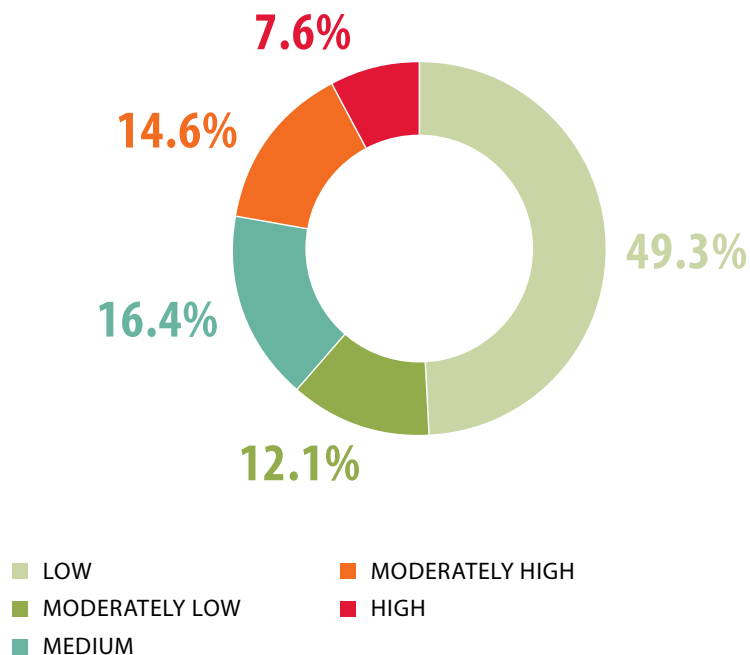
Sectors with Moderately High Transition Risk	Share (%)
Iron and Steel (EAF)	6.3%
Dyeing/Washing, Yarn/ Twisting /Weaving	5.0%
Basic Chemicals	1.0%
Paper and Cardboard Production	0.8%
Fertilizer	0.7%
Production of Other Metals	0.7%
Road Transport	0.1%
Total	14.6%

Sectors with High Transition Risk	Share (%)
Cement	2.9%
Non-Renewable Power Generation	1.9%
Petroleum Products, Petrochemicals	1.2%
Iron and Steel (BOF)	1.1%
Glass-Ceramics	0.5%
Total	7.6%
Transition Total	22.2%

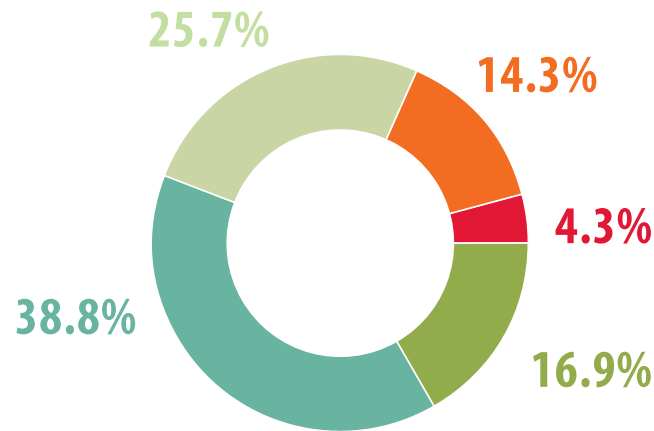
The fact that approximately 78% of the portfolio is exposed to low and medium levels of transition risk is considered a manageable risk level. The Bank closely monitors high-emission sectors indicated by the Heat Map's results and conducts periodic analyses.

Additionally, companies' exposure to transition risk and their risk-reduction actions are closely monitored, and we work with them both in financing potential emissions-reducing investments and in providing advisory services. The ratio of climate- and environment-related loans provided to firms assessed as high or moderately high risk is monitored monthly as an indicator of how risks in this area are managed. By the end of 2025, the power generation sector holds the largest share in TSKB's loan portfolio at 30%, while 94% of the energy portfolio consists of renewable energy projects. An examination of TSKB's loan portfolio shows that the energy sector has maintained its weight over the years.

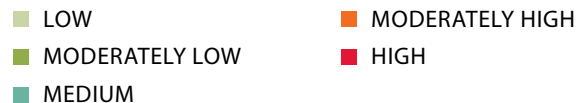
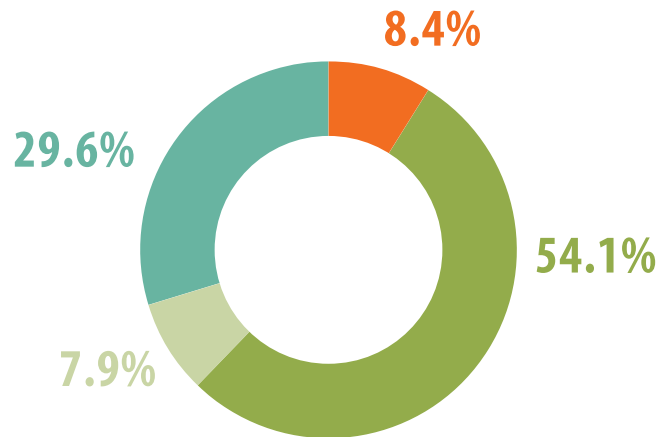
PORTFOLIO TRANSITION RISK DISTRIBUTION



PORTFOLIO CHRONIC PHYSICAL RISK DISTRIBUTION



PORTFOLIO ACUTE PHYSICAL RISK DISTRIBUTION



Physical Risk Heat Map

By the end of 2025, 17.8% of TSKB's total loan portfolio consists of sectors exposed to moderately high physical climate risk, and 4.3% consists of sectors exposed to high physical climate risk.

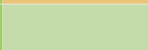
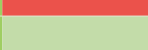
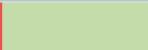
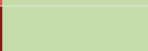
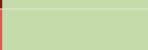
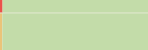
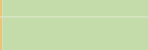
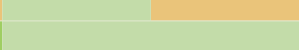
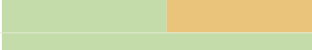
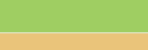
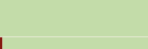
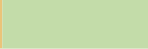
Since approximately 78% of the portfolio falls into the low and medium physical climate risk categories, the overall physical risks in the portfolio are considered to be at a manageable level.

In the context of physical climate risks, an analysis of the portfolio's CRET results has determined that the vulnerability in the operations and investments of companies posing high and moderately high risk is linked to water stress. When examining the effects of physical climate risks to which Türkiye is exposed on water resources, impacts are expected, particularly in the agricultural sector and in the water-intensive energy and industrial sectors. Some industrial sectors, such as power generation from fossil fuels, hydroelectric power generation, textiles, food and beverage, and iron and steel, are considered to have high physical risks due to the critical importance of water. In these sectors, there is a significant sensitivity to extreme climate events.

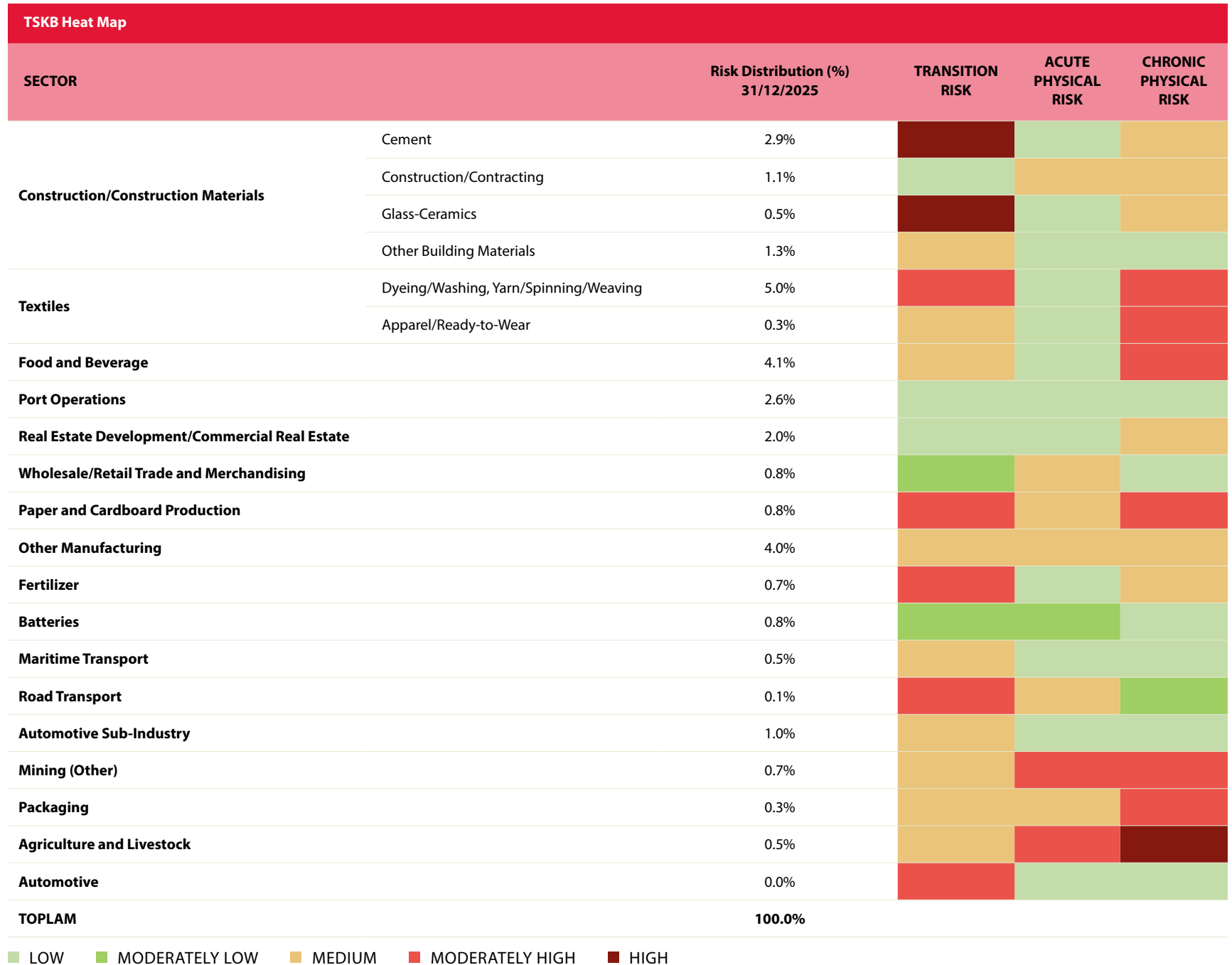
Through geographical concentration analyses for physical climate risks, the impact of high and moderately high-risk companies and investments on the portfolio is monitored holistically. The Bank periodically reviews the adaptation measures taken by companies in sectors with high physical climate risk and encourages them to take action. These risks are used in credit decision-making processes, and importance is given to collateral and insurance obtained for risk mitigation.

Sectors with Moderately High Physical Risk	Share (%)
Textiles	5.4%
Food and Beverage	4.1%
Electricity Distribution	3.5%
Non-Renewable	1.9%
Iron - Steel (BOF)	1.1%
Paper and Cardboard Production	0.8%
Mining (Other)	0.7%
Packaging	0.3%
Total	17.8%

Sectors with High Physical Risk	Share (%)
HPP	3.8%
Agriculture and Livestock	0.5%
Total	4.3%

TSKB Heat Map					
SECTOR		Risk Distribution (%) 31/12/2025	TRANSITION RISK	ACUTE PHYSICAL RISK	CHRONIC PHYSICAL RISK
Power Generation	WPP	13.2%			
	GPP	4.4%			
	SPP	5.4%			
	HPP	3.8%			
	BPP	1.9%			
	Non-Renewable	1.9%			
Financial Institutions		7.0%			
Metals and Machinery	Iron & Steel (EAF)	6.3%			
	Iron & Steel (BOF)	1.1%			
	Other Metal Production	0.7%			
	Aluminum (Secondary)	0.4%			
	Machinery/Other Metals	0.0%			
Other Services / Holding Companies		4.4%			
Electricity Distribution		3.5%			
Natural Gas Distribution		1.8%			
Tourism		4.5%			
Chemicals	Petroleum Products, Petrochemicals	1.2%			
	Basic Chemicals	1.0%			
	Other Chemical Products	3.2%			
Healthcare		4.0%			

 LOW
  MODERATELY LOW
  MEDIUM
  MODERATELY HIGH
  HIGH



Portfolio Temperature Score Analysis

TSKB monitors on a monthly basis its SBTi-approved target for long-term corporate loans covering emissions-intensive industrial sectors such as iron and steel, cement, aluminium, and fertilizers, as well as other corporate loans in the industrial sector, which account for approximately 30% of its loan portfolio, and discloses its performance on an annual basis. In this context, the impact of portfolio changes on the Bank's targets is managed efficiently by closely monitoring customers' absolute emissions data and emission reduction plans. The effects of companies discussed in Credit Committee meetings on the portfolio's temperature score are evaluated on both a company-specific and portfolio-wide basis. Thus, the potential impact on the Bank's targets is also considered in credit decision-making processes. Projection studies conducted during the year analyze how the relevant target performance will evolve in future years, and customers with investment opportunities are identified. Details on the year-end 2025 temperature score analyses are provided in the Metrics and Targets section on page 234.

SDG Analysis

TSKB tracks the impact of its loans by mapping them to the SDGs through its SDG Mapping Model, developed in 2020. The SDG Mapping Model quantifies the climate and environment-focused impact of financed projects and sets long-term targets.

The climate- and environment-focused SDGs addressed by projects financed by TSKB are:

- No Poverty
- Zero Hunger
- Clean Water and Sanitation
- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation and Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life on Land

CLIMATE RESILIENCE AND SCENARIO ANALYSES

TSKB assesses the impact of climate risks on its balance sheet and closely monitors national and international best practices and developments on an ongoing basis. Scenario analyses are reviewed annually, with updates incorporating national and international developments. The scenario analyses conducted during the reporting period were updated accordingly.

The Bank continues to develop its methodologies and processes for measuring and monitoring the financial impacts of climate risks to ensure full compliance with the "Guide on the Management of Climate-Related Financial Risks," issued by the BRSA and effective as of July 2025.

The Bank evaluates various risk mitigation options to monitor and minimize its material climate-related risks. The Bank's sustainable finance targets, science-based emission reduction targets, 2050 net-zero and coal phase-out by year-end 2035 commitments, as well as the targets and policies published under our country's net-zero target, are addressed at a strategic level. While shaping its forward-looking loan portfolio in line with its net-zero target, the Bank also takes into account alignment with SBTi-approved emissions reduction targets in the investments it finances. In this context, it considers transition risks, emission reduction pathways, and sectoral transformation plans in its financing decisions for carbon-intensive sectors such as energy, cement, iron and steel, fertilizer production, and transportation.

Furthermore, TSKB considers alignment with its net-zero target not only as an area of environmental responsibility but also as a strategic priority for strengthening its social capital, including the sustainability of its financial capital, the competence and transformation capacity of its human resources, and its relationships and reputation with stakeholders. In this context, risks and opportunities related to natural capital are addressed in conjunction with the Bank's targets for its financial, social, human, intellectual, and manufactured capital, considering the supportive leverage of social and digital transformation, and are monitored through annual targets set based on the interaction between these areas. These disclosures and actions, which constitute a transition plan, are also supported by the reporting recommendations published by the Transition Plan Taskforce (TPT).

The Bank has strong relationships with development finance institutions, which are among the most important stakeholders in its value creation model, within the framework of long-term collaborations in sustainable finance. The Bank signs resource agreements with various institutions and collaborates on new themes such as renewable energy, energy and resource efficiency, reducing the impacts of climate risks, adaptation, the green transformation of earthquake-affected companies, climate change mitigation, the circular economy, and women's employment. These and similar resources play a strategic role in the Bank's capital management and provide a guiding framework for managing climate-related risks. Long-term themed funds obtained from development finance institutions enable the Bank to direct its capital toward sustainability and climate-focused investments, thereby reducing the impact of related risks on its balance sheet. This makes it possible to design a capital structure that reduces risks and creates opportunities.

This approach is aligned with the Bank's target of providing TL 213 billion in climate finance between 2024 and 2030, as well as its target of providing TL 640 billion in SDG-linked financing between 2021 and 2030, ensuring the systematic inclusion of sustainable development priorities in capital management.

Based on its 2025 Heat Map and CRET evaluations, TSKB has identified carbon pricing mechanisms and water stress as the primary transition and physical risks that may significantly affect its loan portfolio. Supporting customers' green transformations and financing climate change mitigation and adaptation investments are among TSKB's strategic focus areas, and these areas of risk are also considered opportunities.

The Bank capitalizes on opportunities in the green transformation and low-carbon economy through its sustainability-focused collaborations with funding providers. These strategic partnerships enable the Bank to effectively manage climate risks and opportunities and to contribute to its long-term sustainability goals. Additionally, developing strategies aligned with the focus areas of funding providers supports the Bank in achieving its financial targets.

The risk and opportunity scenarios created in this context are presented in the following section. There are no sustainability and climate-related risks and opportunities that pose a serious risk requiring a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements in the next financial reporting period.

The risks and opportunities addressed in the previous reporting period, whose financial statement impacts did not exceed the materiality threshold, have been reassessed within the framework of studies conducted in the current reporting period. Based on these assessments, it was determined that the said risks and opportunities do not exceed the established materiality threshold in terms of financial impact; therefore, the scope of the report has been set to focus on risks and opportunities that do exceed the materiality threshold.

Financial Materiality

TSKB defines a material financial or strategic impact as an impact that could cause a significant operational, financial, or strategic change in the Bank's activities and identifies it to represent all sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's future financial capacity.

As in the previous year, following analyses by the Risk Management, Budget Planning, and Climate Change and Sustainability Management departments, the Bank has identified any impact equivalent to 3% of its Tier I capital as a material impact, which was approved by senior management. The material impact threshold is based on capital levels and other regulatory thresholds that may change over time. The material impact threshold is assessed periodically, at least once a year, and is updated if deemed necessary, taking various business factors into account.

Portfolio Transition Risks and Opportunities

Description of the Risk:

The European Union (EU), with which Türkiye has close economic ties, aims to be climate-neutral by 2050. In line with this goal, the EU, which aims to implement stricter emission reduction policies, plans to steer its trading partners toward greener production practices through the Carbon Border Adjustment Mechanism (CBAM).

The EU ETS (Emissions Trading System) and CBAM aim to minimize carbon emissions, protect the EU's competitiveness, and prevent carbon leakage. The CBAM Regulation, published in May 2023, covers the iron and steel, cement, aluminum, fertilizer, electricity, and hydrogen sectors. The transitional period for CBAM began on October 1, 2023, during which importers are only expected to report emissions. Financial obligations began as of 2026, and importers are required to pay a certificate fee for each ton of emissions exceeding the threshold set in the regulation. The year-over-year reduction in permitted emissions suggests that companies may face higher financial liabilities.

In addition to the EU CBAM, which has entered its definitive period, the draft Regulation on the Türkiye Emissions Trading System (ETS)—mandated for establishment by Climate Law No. 7552 dated July 2, 2025, and published by the Directorate of Climate Change on July 22, 2025—was also included in the scope of the scenario analysis during the reporting period.

According to the draft regulation, although allowances will be distributed 100% free of charge during the 2026–2027 pilot period, companies will be required to purchase allowances for the greenhouse gas emissions for which they are responsible once the first implementation period begins in 2028. This obligation will create additional costs for companies covered by the ETS, on top of CBAM.

If companies in TSKB's loan portfolio do not incorporate the obligations arising from CBAM and the National ETS into their business plans and strategies and fail to manage the risk effectively, this risk could first be reflected in the companies' financial performance, thereby increasing the severity of the impact on the Bank. In such a case, the Bank may increase its provision rates as part of its effective and prudent risk management. If no action is taken by the companies to mitigate this risk, which would affect profitability and asset quality, the Bank's cost of credit risk could increase, and its capital could be adversely affected.

The scenario analysis, which was based on the IEA Net Zero 2050 Scenario last year, was updated during the reporting period in line with the IEA Announced Pledges Scenario. As the CBAM and the national ETS, identified as transition risks, are concrete regulations that have either entered into force or are expected to, the climate scenario used was re-evaluated, and it was deemed appropriate to proceed with the IEA Announced Pledges Scenario.

Transition Risk	Assumptions	Type of Potential Financial Impact - Impact of the Risk on Financial Position, Performance, and Cash Flows	Ratio of Vulnerable Assets to the Bank's Portfolio	Scenario
Policy and Regulatory Risk: Carbon Pricing Mechanisms Area of Concentration in the Value Chain: Downstream - Bank Portfolio Term for Material Financial Impact: Medium and Long Location: Türkiye	In the scenario analysis study, customers in the relevant sectors were classified according to the products they manufacture. Based on emission thresholds and the IEA Announced Pledges Scenario, financial obligations that will arise by 2034 were taken into account and projections were made. The potential impacts of the CBAM and the National ETS on company balance sheets were examined, and the impact on the Bank was calculated, considering the companies' credit ratings and temperature scores affected by their emission reduction targets.	Initially, the impact on customers' cash flows and financial performance, if no action is taken, will lead to an increase in the probability of default for loans and in expected credit loss provisions at the Bank.	According to 2025 data, the sectors in the Bank's portfolio covered by the CBAM are cement, iron and steel, aluminum, and fertilizer, which account for 11% of the portfolio.	IEA Announced Pledges Scenario

Transition Risk	Projected Financial Impact	Actions Taken to Mitigate the Risk
Policy and Regulatory Risk: Carbon Pricing Mechanisms Area of Concentration in the Value Chain: Downstream - Bank Portfolio Term for Material Financial Impact: Medium and Long Location: Türkiye	According to projections for the year-end 2025 portfolio, if current conditions continue without any additional measures, the impact of the CBAM on TSKB is expected to exceed the materiality threshold by approximately TL 341 million as of 2030. This impact will affect the expected loss provisions in the consolidated balance sheet and the expected loss provision expenses in the consolidated statement of profit or loss. In the current period, the related risk did not have a material impact on the Bank's financial performance. In the scenario analyses conducted for the year-end 2024 portfolio, the impact of the CBAM on TSKB was projected to exceed the materiality threshold by approximately TL 140 million as of 2030. The main reason for the difference in the scenario analysis results for the two years was identified as the inclusion of the National ETS in the scenario and the increase in carbon prices in the updated international scenarios. Considering that obligations arising from the CBAM and the National ETS are expected to increase in the future, the material financial impact of the risk on the Bank will continue to be seen in the medium and long term.	In line with its development mission, TSKB closely monitors investments and customers from the decision-making stage throughout the loan processes using internal environmental, social, and climate-focused risk assessment tools such as ERET and CRET, and periodically conducts environmental, social, and climate-related risk assessments. On the other hand, national and international developments are closely followed, strong communication is established with customers, and support is provided for green transition through both TSKB Advisory Services and its subsidiary Escarus, which specializes in sustainability consulting, in areas where companies may need and can show improvement. Given that the obligations of the CBAM and the National ETS will have varying levels of impact on companies depending on their financial situations, it is expected that TSKB's customers with high financial strength and robust climate change strategies will maintain their resilience to these obligations by investing to reduce and manage their embedded emission costs. Accordingly, the Bank provides mitigation loans to meet the financing needs of companies. Increased demand and customer needs were influential in the Bank's decision in 2025 to update its climate finance target from TL 140 billion for the period from the beginning of 2024 to the end of 2030 to TL 213 billion.

Description of the Opportunity:

The financing needs arising from increased awareness and defined action plans in companies enhance the Bank's capacity to respond to these risks while also creating an area of opportunity. The loans provided in this context will increase customers' capacity to comply with the CBAM and the National ETS, thereby reducing the severity of the risk's impact on company balance sheets. This is expected to have a downward effect on the non-performing loans ratio and the net cost of credit risk, positively impacting the Bank's capital and profitability.

Through its dynamic business model aligned with national policies, TSKB anticipates that expected developments on the public side will rapidly increase opportunities in this area in the coming period. In particular, developments such as the National Green Taxonomy Regulation and regulations for establishing an Emissions Trading System, which are expected to come into force following the Climate Law, will accelerate TSKB's ability to effectively capitalize on collaboration opportunities with both its existing portfolio companies and potential customers.

In the scenario analysis for the transition opportunity, the main change from the previous year in the reporting period is the reflection in the analysis of the upward revision of the climate finance target from TL 140 billion to TL 213 billion.

Transition Opportunity	Type of Potential Financial Impact - Impact on Financial Position, Performance, and Cash Flows	Projected Financial Impact	Actions Taken to Capitalize on the Opportunity	Assets Aligned with the Opportunity
Opportunity Type: Increased Revenue from Existing Products and Services Area of Concentration in the Value Chain: Downstream - Bank Portfolio Term for Material Financial Impact: Medium Location: Türkiye	Increased revenue from rising demand for climate and environment-focused collaborations and lending activities	It has been determined that the net interest income from climate-related loans will cumulatively exceed the materiality threshold by approximately TL 1 billion in the target year of 2030. The income generated from related loans in the current year is TL 522 million. In the scenario analyses conducted at the end of 2024, the financial impact was projected to exceed the materiality threshold by approximately TL 140 million in 2030.	TSKB provides climate risk mitigation and adaptation-themed loans, such as for energy and resource efficiency and the circular economy, to meet the financing needs of companies. In August 2024, the Bank's Sustainable Finance Framework was updated to include a transition finance, a first in Türkiye. As of year-end 2025, 57% of the loans extended to CBAM sectors are aligned with these themes. More than 80% of the funds obtained from Development Finance Institutions are climate and environment-related. In line with the strategic focus of these fund providers, the increased demand and changing customer needs were influential in setting a target to provide TL 213 billion in climate finance from the beginning of 2024 to the end of 2030. The loans provided under this target will strengthen TSKB's asset quality and positively impact its net profit and capital. The Bank, which has a 59% ratio of climate and environment-focused SDG-linked loans in its portfolio as of year-end 2025, aims to increase this ratio to 60% or more by 2030. In this regard, the Bank may revise its targets as it has in the past and establish new targets for changing and developing focus areas. Developments in the ecosystem present a significant opportunity for the Bank's subsidiaries, Escarus and TSKB Gayrimenkul Değerleme, which provide sustainability consulting and green building valuation services, to expand their impact. The increase in subsidiary revenues will positively affect the Bank's consolidated balance sheet.	As of year-end 2025, 57% of the loans extended to CBAM sectors are aligned with the aforementioned themes.

PORTFOLIO PHYSICAL RISKS AND OPPORTUNITIES

Description of the Risk:

Water stress is considered one of the significant climate risks for Türkiye. Scenario studies for 2021-2040 and 2041-2060 periods, based on RCP 4.5 and RCP 8.5 scenarios, indicate that Türkiye faces a high risk of water stress. Furthermore, it is expected that water scarcity will become significantly widespread in our country by the 2030s. In light of these developments, it is anticipated that the effects of water stress will begin to materialize for the companies in the Bank's portfolio in the medium term.

30% of the Bank's portfolio consists of sectors that are operationally dependent on water, such as power generation, chemicals and plastics, metals and machinery, construction and building materials, food and beverage, paper and forest products, textiles and leather, and tourism. In the reporting period, the scope of sectors was expanded from the 2024 scenario analysis, as indicated by the CRET results. When these sectors experience difficulties in accessing water, customers may face production disruptions, or some companies may have to halt their operations. Customers unable to continue their operations may face difficulties in repaying their loans. This situation could lead to an increase in the Bank's non-performing loan ratio, provision rates, and consequently, the cost of credit risk, which could have adverse effects on profitability and capital adequacy.

Physical Risk	Assumptions	Type of Potential Financial Impact - Impact of the Risk on Financial Position, Performance, and Cash Flows	Ratio of Vulnerable Assets to the Bank's Portfolio	Scenario
Chronic Physical Risk: Water Stress Area of Concentration in the Value Chain: Downstream - Bank Portfolio Term for Material Financial Impact: Medium and Long Location: Türkiye	In the scenario analysis study, water-dependent customers in the TSKB portfolio were classified by sector, and potential production decline rates due to water needs were determined. The assumptions regarding potential production declines were made considering the outputs of RCP 8.5 scenario, companies' credit ratings, their roadmaps to address water stress, and the adaptation investments they have made or planned. As indicated by RCP 8.5, water stress is expected to affect the financial performance of the Bank's portfolio in the medium term, with these effects projected to become particularly evident in 2030.	Primarily, the impact on customers' cash flows and financial performance, if no action is taken, will lead to an increase in the probability of default for loans and in expected credit loss provisions at the Bank.	According to 2025 data, in the Bank's portfolio, the sectors operationally dependent on water are food and beverage, iron and steel, textiles, thermal power plants, hydroelectric power plants, cement, mining, and automotive, which account for 30% of the portfolio.	IPCC RCP 8.5

Physical Risk	Projected Financial Impact	Actions Taken to Mitigate the Risk
Chronic Physical Risk: Water Stress Area of Concentration in the Value Chain: Downstream - Bank Portfolio Term for Material Financial Impact: Medium and Long Location: Türkiye	When projections based on current conditions are evaluated, the impact of water stress on the Bank in 2030 is expected to exceed the materiality threshold by approximately TL 28 million. This impact will affect the expected loss provisions in the consolidated balance sheet and the expected loss provision expenses in the consolidated statement of profit or loss. In the current period, the related risk did not have a material impact on financial performance. In the analyses conducted for the year-end 2024 portfolio, the impact of water stress on the Bank in 2030 was projected to exceed the materiality threshold by approximately TL 105 million. The main reason for the difference in the scenario analysis results for the two years was identified as the change in portfolio composition and risk exposure level following the integration of the results from the Climate Risk Evaluation Tool (CRET). Considering that the effects of water stress are expected to increase after the 2030s according to IPCC scenarios, the material financial impact of the risk on the Bank will continue to be seen in the medium and long term.	Companies are affected by water stress at different levels depending on their financial situation and the adaptation measures they take. Through the environmental, social, and climate-related risk assessment tools integrated into TSKB's loan processes, customers' locations, sectors, and production processes are analyzed in depth to identify their level of water dependency and the resulting risks. With the Circular Economy Self-Assessment Tool, which the Bank developed in 2022 as part of a loan agreement, it evaluates customers' circular business models and supports their improvement through action plans identified from gap analyses. Reducing water withdrawal from the source, circular use of water resources, and developing strategies in this context are among the action plans of the tool. In this context, technical support is provided to customers who want to improve their adaptation capacity and transform their business processes, both through the Bank's advisory services business line and its subsidiary Escarus, which also offers water management consulting. In addition, AdapTool, developed in 2025 as part of a climate adaptation-themed financing agreement, analyzes companies' exposure to physical climate risks, including water stress, for their facilities at specific locations, the operational and financial impacts of these risks, and their current adaptation capacity. The assessment results provide companies with concrete and applicable roadmaps by identifying priority investment areas and feasible adaptation measures for each risk category. While the development of circular water use and strategic water management approaches are among the priority topics of these plans, inter-sectoral applicable measures such as rainwater harvesting, greywater recycling, treatment and reuse of process wastewater, and optimization of water consumption with automatic control systems are encouraged; furthermore, more detailed technical measures and investment needs specific to the sector and facility are also analyzed. More than 80% of the funds obtained from Development Finance Institutions are climate and environment-related. In line with the strategic focus of these fund providers, the increased demand and changing customer needs were influential in setting a target to provide TL 213 billion in climate finance from the beginning of 2024 to the end of 2030. This target also covers the adaptation theme, which will be one of the Bank's main focus areas in the coming period.

Description of the Opportunity

Loans to be extended under the adaptation theme, which will continue to be one of the Bank's main focus areas in the coming periods, will increase companies' capacity to adapt to water stress and reduce operational risks based on potential disruptions to their balance sheets. This will positively affect the Bank's provision rates, the credit quality of its non-performing loans, and consequently its cost of credit risk and return on equity levels, while also contributing to more efficient use of water resources and supporting environmental sustainability.

In line with Türkiye's 2053 Long-Term Climate Strategy, it is anticipated that investments in techniques and technologies that provide water efficiency will increase in the coming period with the Water Efficiency Regulation published in the Official Gazette in December 2024.

In the scenario analysis for the physical opportunity, the main change from the previous year in the reporting period is the reflection in the analysis of the upward revision of the climate finance target from TL 140 billion to TL 213 billion.

Physical Opportunity	Type of Potential Financial Impact - Impact on Financial Position, Performance, and Cash Flows	Projected Financial Impact	Actions Taken to Capitalize on the Opportunity	Assets Aligned with the Opportunity
Opportunity Type: Increased Revenue from Existing Products and Services Area of Concentration in the Value Chain: Downstream - Bank Portfolio Term for Material Financial Impact: Medium Location: Türkiye	Increased revenue from rising demand for climate and environment-focused collaborations and lending activities	As a result of the analyses conducted, by 2030, the net interest income generated from loans for water stress adaptation is projected to cumulatively exceed the materiality threshold in the target year of 2030 by approximately TL 312 million. As of year-end 2025, the ratio of climate finance extended to water-dependent sectors in their production processes, which are subject to scenario analysis, is 1% of the Bank's portfolio. These loans, which support the Bank's profitability, will protect asset quality while making a positive contribution to capital. In the scenario analyses conducted at the end of 2024, the net interest income generated from the loans to be extended was projected to exceed the materiality threshold by approximately TL 70 million.	TSKB, which has a 59% ratio of climate- and environment-focused SDG-linked loans in its portfolio as of year-end 2025 and aims to increase this ratio to 60% or more by 2030, will continue to provide financing support for projects that increase water efficiency and will prioritize solutions that promote sustainable water management in industrial sectors. While supporting the industrial sectors' compliance with the Water Efficiency Regulation, long-term value will be created by providing awareness-raising activities, technical guidance, sustainable financing instruments, and advisory services to increase the resilience of customers operating in sectors facing water stress.	As of year-end 2025, the ratio of climate finance extended to water-dependent sectors in their production processes, which are subject to scenario analysis, is 1% of the Bank's portfolio.

RISK MANAGEMENT

TSKB implements its sustainability-related risk management framework, including climate-related risks, in line with the principles defined in national and international regulations and best practices. The Bank closely and continuously follows relevant regulations and developments.

As detailed in the Strategy section, TSKB continuously carries out processes for identifying, assessing, prioritizing, and monitoring its sustainability-related risks and opportunities, including climate, through the tools it has developed and the analyses it periodically conducts. The ERET, which focuses on environmental and social risks and opportunities, and the CRET, which assesses climate risks, along with the SDG and temperature score analyses conducted, ensure that the sustainability dimension is included in the Bank's existing risk management processes. During the reporting period, as in the previous year, the results of the tools and analyses were presented to the Credit Committee on a monthly basis. Thus, sustainability-related risks, including climate-related risks, are addressed together with other risk types in the decision-making processes for the Bank's lending activities.

The Bank periodically assesses the impact, nature, probability, and magnitude of its sustainability-related risks and opportunities, including climate, and also considers the views of internal and external stakeholders in these studies.

The expectations set forth in the BRSA's "2025–2028 Strategic Plan" and in the "Communiqué on the Calculation of Banks' Green Asset Ratio" and the "Guidance on the Management of Climate-Related Financial Risks," published during the reporting period in April and July, respectively, have guided the Bank's operations throughout 2025. In this context, significant progress has been made in efforts to integrate these expectations into risk policies, the risk appetite framework, and capital allocation processes through a phased approach, taking into account the maturity level of the data infrastructure, methodological development, and applicability.

Efforts have been planned and implemented to ensure full compliance with the "Guideline on the Management of Climate-Related Financial Risks," which was prepared by the BRSA based on the principles in the Basel Committee's June 2022 document "Principles for the Effective Management and Supervision of Climate-related Financial Risks" and came into effect in July 2025.

The heat map studies, CRET analyses, and scenario analyses conducted to assess the sustainability-related risks, including climate, of the Bank's loan portfolio are presented to the Board of Directors, Risk Committee, and Audit Committee as part of the annually prepared Internal Capital Adequacy Assessment Process (ICAAP) report.

Management roles and responsibilities for sustainability-related risks, including climate, have been integrated into the relevant business areas. These roles and responsibilities are structured in line with the Bank's risk management framework and the three lines of defense approach. In the first line, the relevant business units are responsible for the identification and initial assessment of risks. The second line carries out monitoring and control activities, while the third line performs the internal audit function.

In the first line of the three lines of defense approach, the Climate Change and Sustainability Management (CCSM) Department, along with relevant business units and management bodies, assesses loan applications for climate risks in terms of credit portfolio-related risks, examines the extent to which building operation activities are affected by climate risks within the scope of operational risks, and addresses climate-related risks with a holistic approach within the balance sheet management framework. These units conduct risk assessments in line with their areas of expertise as the first line of risk management.

In the second line, the Sustainability Committee, with the active participation of the Board of Directors and the Executive Committee, addresses business plans and activities to be carried out in line with the Bank's sustainability strategy, vision, and targets, particularly concerning risks and opportunities arising from climate change. The Risk Management Department carries out activities related to the systems required for risk management processes, monitors the compliance of risks with policies, standards, and the Bank's limits, and reports to the Board of Directors through the Audit Committee. Risks arising from climate change are included in the risk management processes within the Bank's risk appetite framework. The Internal Control Department performs second-level control activities within the scope of the standards set for climate risks. Issues identified during controls are regularly reported to the Audit Committee.

In the third line, all activities, including the management of climate risks, are audited by the Internal Audit Board, which operates under the Audit Committee composed of Board of Directors members, within an independent structure.

The Bank's Risk Appetite Statement specifies that, under its Climate Change Mitigation and Adaptation Policy, it will not finance new coal-fired thermal power plants or capacity expansions, nor coal mining investments for electricity generation. In addition, the Bank regularly monitors concentration limits to track its current climate risk exposure. Furthermore, in line with its SBTi targets, the Bank has committed to completely phasing out coal financing by the end of 2035. This approach reflects the Bank's strategy to reduce its risk appetite for transition risks.

The Bank monitors and manages its loan portfolio's exposure to climate change transition risk and identifies potential risk concentrations in carbon-intensive sectors at an early stage by classifying and monitoring its customers according to their transition risk levels. In this context, the share of customers operating in high and medium-high transition risk sectors within the portfolio, the level of risk concentration, and its evolution over time are regularly tracked through the Climate Risk Evaluation Tool and the Heat Map, and reported to the Senior Management and the Audit Committee by the Risk Management Department. TSKB has additional monitoring mechanisms for customers operating in high transition risk sectors. In this context, the portfolio share of disbursements to customers with high transition risk is monitored within the risk management framework, taking into account their progress in the green transition and their greenhouse gas emission reduction targets.

METRICS AND TARGETS

GREENHOUSE GAS EMISSIONS MANAGEMENT

TSKB has been measuring its carbon footprint since 2006 and has been supplying its electricity needs from renewable energy sources for its operations since 2009. To ensure the reliability of its efforts, the Bank has been conducting its work in accordance with the ISO 14064-1 Greenhouse Gas Accounting and Verification Standard since 2012, and has been offsetting all its direct and indirect emissions, excluding financed emissions, by purchasing carbon credits. In 2024, in addition to the ISO 14064-1 standard, calculations were performed in accordance with the GHG Protocol's reporting standards and verified under TSRS. During the reporting period, the Bank expanded its consolidated emissions to include the indirect emissions of its subsidiaries, in addition to the previous year.

In 2021, the Bank reviewed its portfolio and began calculating its indirect emissions to include emissions from financed projects in carbon-intensive sectors such as thermal power plants, iron and steel, cement, and aluminum.

In 2024, the calculation efforts covered 35.4% of the loan portfolio and 91% of the carbon-intensive sectors in the portfolio. During the reporting period, the Bank calculated emissions from 50.3% of its loan portfolio and 94% of

the carbon-intensive sectors in the portfolio, and expanded the scope of its financed emissions calculations by including emissions from corporate bonds, its own funds, and affiliates. Emissions from carbon-intensive sectors in the loan portfolio constitute 88% of the Bank's total calculated financed emissions. The Partnership for Carbon Accounting Financials (PCAF) methodology, recommended by the SBTi, was used for the calculations.

Primary emission and consumption data obtained from customers were used as the data source. The Bank prioritizes the use of primary-quality data in its financed emissions calculations for tracking target achievement. Therefore, emissions from investments where access to quality data is not possible are excluded from the scope.

The data quality of the portfolio was assessed according to the PCAF methodology's data quality scoring system. According to the scoring system, 89% of the collected data are verified and of the highest quality, while 10% are declared emission values of the second-highest quality that were reported without any verification. The Bank aims to expand the calculation scope of its portfolio emissions and improve data quality, and continues its efforts in this regard.

TSKB Greenhouse Gas Emissions (Solo)*						
Scopes	Emission Sources	2021 (Base Year)	2022	2023	2024	2025
Scope 1 Direct GHG Emissions	Stationary Combustion, Mobile Combustion, Fugitive Emissions	449	411	343	422	402
Scope 2 Indirect Greenhouse Gas Emissions	Electricity - Market-Based	0	0	0	0	0
Scope 3 Other Indirect Emissions**	Electricity - Location-Based	494	624	531	515	482
	Purchased Goods and Services	139	225	389	550	663
	Capital Goods	34	96	145	154	157
	Business Travel	47	115	163	260	394
	Employee Commuting	130	80	91	108	112
	Investments	2,748,096	2,632,903	2,089,349	1,266,435	1,815,924
TOTAL MT CO ₂ e***		2,748,895	2,633,830	2,090,481	1,267,930	1,817,653

*TSKB's solo emissions were verified in accordance with ISO 14064-1 and ISO 14064-3 criteria. The uncertainty for Scope 1 was calculated as 2.50%, and for Scope 3 it was 8.60%. The assurance level is reasonable for Scope 1 and limited for Scope 3. In addition to ISO standards, the Bank's emissions were reported and verified in accordance with the GHG Protocol under the TSRS. The activity data used to calculate emissions from the Bank's operational activities are based on primary data, while the emission factors are based on international emission factor databases such as IPCC, Defra, and ADEME. The Türkiye-wide Electricity Generation Emission Factor published by the Ministry of Energy and Natural Resources was used to calculate Scope 2 location-based emissions.

**TSKB Scope 3 emissions include employee shuttle services and remote work, business travel, purchased goods and services, capital goods, and investments. Transportation of purchased stationery and office supplies, employee commutes by ferry, purchased paper and plastics, desktop computers, phones and tablets, disposal of domestic waste, and courier services were excluded from the scope as they fell below the materiality level according to the prioritization analysis. In the 2025 reporting year, total Scope 3 emissions are 1,817,251 tCO₂e. Total indirect emissions, excluding financed emissions, are 1,327 tCO₂e. In 2025, the ratio of loan portfolio companies included in the calculation scope to the total portfolio increased from 35% to 50% compared to 2024. In addition to the loan portfolio, emissions from private sector bonds, funds that are 100% owned by the bank, and affiliates are also included in the scope of the calculation.

***The majority of TSKB's emissions are attributed to financed emissions. Total emissions, excluding financed emissions, are 1,729 tCO₂e. Total greenhouse gas emissions, excluding financed emissions, will be offset by purchasing carbon credits during the year.

Greenhouse Gas Emissions of TSKB, its Subsidiaries, and Affiliates								
	2024 Scope 1 (tCO ₂ e)	2025 Scope 1 (tCO ₂ e)	2024 Scope 2 - Market- Based (tCO ₂ e)	2025 Scope 2 - Market- Based (tCO ₂ e)	2024 Scope 2 - Location- Based (tCO ₂ e)	2025 Scope 2 - Location- Based (tCO ₂ e)	2024 Scope 3 (tCO ₂ e)	2025 Scope 3 (tCO ₂ e)
TSKB	422	402	0	0	515	482	1,267,508	1,817,251
Parent Company and Consolidated Subsidiaries	522	595	0	671	680	820	1,267,508	1,818,440
Unconsolidated Subsidiaries	106	120	16	3	16	3	-	129
Consolidated Emissions*	628	715	16	673	696	1,304	1,267,508	1,818,569
Affiliates**	-	470	-	137	-	185	-	-

*Calculated based on the operational control approach; Scope 1, 2, and 3 emissions of unconsolidated subsidiaries are also included in consolidated emissions.

**Emissions from affiliates are assessed under Scope 3, Category 15 (Investments).

Loans*					
Financed Emissions (with PCAF Methodology, tCO ₂ e)				Emission Intensity (tCO ₂ e/USD million)	
Corporate Loans					
Sector**	Share in the 2025 Loan Portfolio	2024	2025	2024	2025
Cement	2.34%	199,822.52	756,741.63	6,783.52	5,849.19
Iron and Steel	7.35%	182,482.18	353,208.40	527.29	868.85
Power Generation	0.54%	341,757.83	74,205.47	6,439.79	2,491.86
Coal***	0.54%	341,757.83	74,205.47	6,439.79	2,491.86
Fertilizer	0.00%	-	-	-	-
Aluminum	0.37%	1,809.14	1,342.50	90.39	65.70
Commercial and Residential Real Estate	0.09%	35.47	785.65	37.28	11.91
Transportation	0.00%	-	-	-	-
Oil and Gas	0.00%	-	-	-	-
Agriculture	0.00%	-	-	-	-
Chemicals and Plastics	4.51%	27,766.25	73,406.08	204.06	294.13
Textiles and Leather	3.55%	4,041.87	20,899.53	62.03	106.46
Mining	0.20%	-	17,441.03	278.76	1,581.93
Construction and Building Materials	1.32%	342.53	15,295.82	30.82	209.94
Food and Beverage	2.27%	7,406.26	10,746.18	106.13	85.52
Paper and Forest Products	1.45%	9,452.71	7,914.10	121.26	98.63
Metal and Machinery	0.52%	-	6,954.00	-	240.83
Fuel and Energy Distribution	0.92%	-	3,055.55	-	60.08
Tourism	0.69%	1,376.12	2,642.96	37.25	69.05
Logistics	1.56%	3,037.79	2,547.28	33.92	29.56
Packaging	0.15%	335.40	1,083.08	105.98	131.48
Healthcare	1.53%	-	87.64	-	4.71
Automotive and Sub-Industry	0.61%	867.97	741.57	80.40	22.00
Electromechanical	0.44%	219.70	429.07	16.86	17.47
Finance	4.61%	74.35	77.22	1.24	0.30
Holding	0.00%	294.71	-	29.07	-

* Emissions from undrawn loan commitments were not included in the calculations for the reporting period. During the reporting period, total equity and debt values were used in the emissions calculations for publicly listed companies.

**Sector breakdowns, primarily for carbon-intensive sectors, are monitored in emissions reporting with more detailed subcategories than the sectoral distributions of the Bank's loan portfolio presented in the Bank's financial results presentations.

***TSKB's portfolio companies operating in the coal sector are coal-fired thermal power plants that generate electricity. The relevant data are provided in both the power generation sector category and the coal category.

Loans*					
Financed Emissions (per PCAF Methodology, tCO ₂ e)				Emission Intensity (tCO ₂ e/USD million)	
Project Finance					
Sector**	Share in the 2025 Loan Portfolio	2024	2025	2024	2025
Power Generation	1.36%	184,020.20	219,690.48	3,290.34	2,928.31
Coal***	1.00%	178,719.77	194,279.55	3,377.54	3,520.94
Cement	0.46%	180,211.44	111,974.02	6,203.19	4,431.61
Fertilizer	0.68%	47,329.86	75,569.65	1,156.03	1,997.42
Real Estate	1.83%	3,523.95	1,306.82	74.24	12.93
Aluminum	0.01%	-	156.95	-	232.39
Transportation	0.02%	16.78	12.26	9.32	9.03
Oil and Gas	0.00%	-	-	-	-
Agriculture	0.00%	-	-	-	-
Electromechanical	0.73%	35,521.95	23,290.11	979.12	580.00
Fuel and Energy Distribution	1.73%	6,309.46	9,589.47	144.22	100.16
Textiles and Leather	0.63%	-	7,183.62	-	206.33
Healthcare	1.77%	12,144.04	6,294.98	214.07	64.46
Logistics	3.91%	4,411.58	3,033.74	33.93	14.04
Chemicals and Plastics	0.09%	4,548.92	2,460.78	605.22	491.04
Mining	0.25%	4,627.89	922.61	278.76	65.67
Tourism	1.81%	577.94	422.20	6.50	4.23
Holding	0.09%	2,068.12	154.38	49.70	30.46

* Emissions from undrawn loan commitments were not included in the calculations for the reporting period. For the reporting period, total equity and debt values were used in the emission calculations for publicly traded companies.

**For more effective emissions management, particularly in carbon-intensive sectors, the sector breakdowns used for emissions reporting are monitored in more detail, using sub-breakdowns, than the sectoral distributions of the loan portfolio presented in the Bank's financial results presentations.

***Within the Bank's portfolio, companies operating in the coal sector are thermal power plants that generate electricity from coal. The relevant data is presented both in the power generation sector and separately in the coal category.

Other Financial Assets*				
Financed Emissions (per PCAF Methodology, tCO ₂ e)			Emissions Intensity (tCO ₂ e/million USD)	
Asset Class	2024	2025	2024	2025
Private Sector Bonds	-	3,853.57	-	403.47
Funds**	-	252.19	-	10.69
Affiliates	-	151.37	-	25.68

*The Bank has included all private sector bonds in which it has invested, all companies in the Türkiye Green Fund, and all affiliates included in the consolidated financial report in its calculations.

**Türkiye Green Fund

TARGETS

In 2022, TSKB became a signatory to the UNEP FI Net-Zero Banking Alliance (NZBA) and set a target to achieve net-zero emissions by 2050. In this regard, TSKB has established its Near-Term Science-Based Targets for Scope 1, 2, and 3 emission reductions in line with SBTi guidelines. The Scope 3 targets approved by the SBTi also form the basis for the 2030 interim targets declared in line with NZBA guidelines. As part of its net-zero commitment, the Bank plans to reduce its greenhouse gas emissions as much as possible by 2050 and to offset its emissions by purchasing carbon credits where reduction to zero is not possible.

In 2025, the NZBA abolished its membership system and ended its commitments and mandatory obligations; however, it continued to publish guidance documents, allowing its recommendations to be implemented on a voluntary basis. Maintaining its determination to achieve its net-zero commitment, TSKB will continue its efforts to align its portfolio with net-zero targets by following the NZBA's recommendations.

The Bank, which integrates its efforts to measure and reduce its impacts on climate change into its business processes, calculates the emissions resulting from its lending activities.

Scope 1 and 2 emissions cover the Istanbul Headquarters Building and the Ankara Development Hub where operational activities are carried out. Because the Ankara Development Hub was not operational in the 2021 base year and was first operational for a full reporting year in 2024, it was included in the greenhouse gas inventory boundary for the 2024 reporting year.

TSKB's Scope 3 targets correspond to 53% of the Bank's total assets and cover 70% of its loan and investment portfolio. You can access the SBTi-approved targets [here](#).

The Bank's sectoral decarbonization targets, determined according to SBTi guidelines and projected to be achieved by 2035, also form the basis for the 2030 interim targets.

The targets, developed under the leadership of the Board of Directors, were approved by the SBTi in 2023. At TSKB, the impact of allocated loans on the targets is assessed on a project-by-project and company-by-company basis and reported to the Credit Committee. The topic, which appears as a separate agenda item in the committee process, not only influences the credit decision but also ensures that an assessment of customers' decarbonization plans is conducted. In addition to the credit assessment processes, the performance in achieving SBTi targets at the portfolio level is calculated on a monthly basis, and analyses are conducted in line with projections to regularly evaluate the Bank's progress toward its SBTi and 2030 interim targets. The Bank also continuously improves the scope and quality of its analyses using data obtained from its portfolio.

The cement, iron and steel, power generation, fertilizer, aluminum, real estate, and transportation sectors in the TSKB loan portfolio are classified as carbon-intensive sectors, and the emissions of customers operating in these sectors are closely monitored. The Bank, which has set sectoral decarbonization targets for the electricity generation and real estate sectors in its loan portfolio, manages the emissions and decarbonization roadmaps of other carbon-intensive sectors in its portfolio within the scope of its SBTi-approved long-term target for corporate loans. TSKB annually evaluates the establishment of sectoral decarbonization targets for all carbon-intensive sectors in its loan portfolio, taking into account their materiality levels.

In line with SBTi guidance, short-term loans and SMEs have been excluded from the Scope 3 target scope.

Metrics and Targets for Direct Impacts

SBTi Targets for Operational Activities	Scope	Scenario	Method	Metric	Base Year Performance	Base Year	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
To reduce Scope 1 GHG emissions by 63% from the 2021 baseline year to 2035	Scope 1	SBTi 1.5°C Scenario	Absolute Contraction Approach	tCO ₂ eq	449	2021	2035	422	402	17%
To source 100% of electricity from renewable energy sources by 2030	Scope 2	SBTi 1.5°C Scenario	Renewable Energy	%	100	2021	2030	100	100	100%

Scope 1 Absolute Reduction Target

As part of the net-zero roadmap and to reduce the impact of operational activities on climate change, the Scope 1 absolute emissions reduction target was set using the SBTi Target Setting Tool in line with SBTi scenarios for limiting global warming to 1.5°C.

TSKB commits to reducing its Scope 1 GHG emissions by 63% by 2035 from a 2021 base year. The action plan established to achieve this target consists of four steps.

As part of the action plan to reach the target, the investment to transition the Bank's entire fire suppression system to the use of gases with low global warming potential was completed in 2024. The entire rental vehicle fleet was replaced with hybrid vehicles. The Bank is monitoring the developing electric vehicle market and developing future investment plans. In 2026, the cooling systems are planned to be modernized to use gases with low global warming potential.

TSKB will continue to measure Scope 1 emissions from its operational activities at the Istanbul Headquarters Building and the Ankara Development Hub, implement an action plan consistent with its targets, and transparently share its current status with stakeholders.



Next Period Plan

1- Modernization of the heating system: Integration of energy-efficient technologies



In progress

2- Modernization of the cooling system: Integration of energy-efficient technology



In progress

3- Company vehicle investment: Replacement of the fleet with hybrid and electric vehicles



Completed

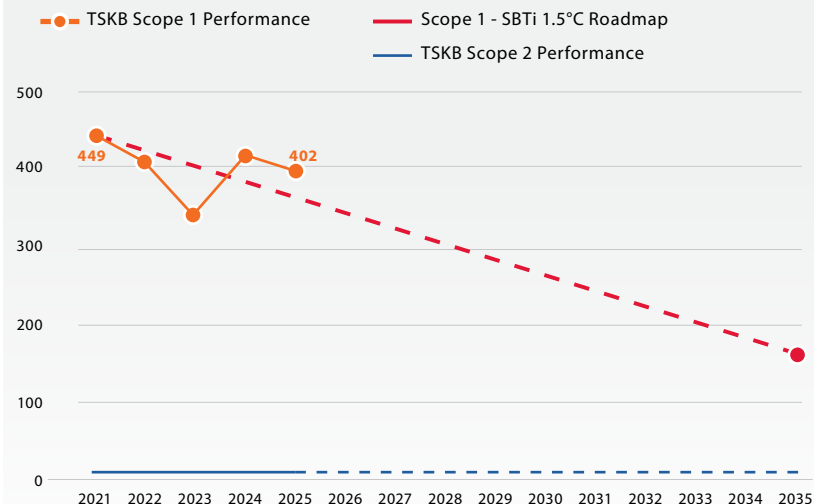
4- Modernization of the fire suppression system: Integration of gases with low global warming potential into the building

Scope 2 Renewable Energy Target

TSKB maintains its Scope 2 market-based emissions at zero by purchasing green electricity from I-REC certified power plants. In line with SBTi guidelines, the Bank aims to reduce the climate change impact of its purchased energy under its commitment to source 100% renewable energy from 2021 to 2030 for its Scope 2 emissions, and to continue this practice beyond 2030.

To manage its electricity consumption, the Bank tracks its Scope 2 emissions on both a market- and location-based basis and shares the results transparently with its stakeholders. In 2024 and 2025, location-based Scope 2 emissions changed due to cooling demand that varied with climatic conditions.

Scope 1 Absolute Emissions Reduction Target and Scope 2 Renewable Energy Target (tCO₂e)



Criteria and Targets within the Scope of TSKB's Lending and Investment Portfolio

Scope/Asset Class	Base Year Portfolio Share	SBTi Targets	Interim Targets	Scenario	Method	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
Scope 3 / Electricity Generation Project Finance	27%	To reduce GHG emissions from the power generation project finance portfolio by 85.6% per kWh by 2035 compared with the 2021 base year	To reduce by 73.6% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach	tCO ₂ e/MWh	0.23	2035	0.25	0.25	-13%
Scope 3 / Power Generation Corporate Loans	3%	To reduce GHG emissions per kWh from the power generation sector within the corporate loan portfolio by 85.7% by 2035 compared with a 2021 base year	To reduce by 73.7% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach	tCO ₂ e/MWh	0.84	2035	0.64	0.34	69%
Scope 3 / Commercial and Residential Real Estate	2%	To reduce GHG emissions from the commercial real estate sector in the corporate loan portfolio by 71% per square meter by 2035 from a 2021 base year	To reduce by 53% by 2030	IEA ETP B2DS	Sektörel Dekarbonizasyon Yaklaşımı	tCO ₂ eq/m ²	0.21	2035	0.07	0.20	5%

Criteria and Targets within the Scope of TSKB's Lending and Investment Portfolio											
Scope/Asset Class	Base Year Portfolio Share	SBTi Targets	Interim Targets	Scenario	Method	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
Scope 3 / Long-Term Corporate Loans	30%	To reduce the Scope 1+2 temperature score of the other long-term corporate loans portfolio from 3.2°C in the 2021 base year to 2.74°C by 2027, and to reduce the Scope 1+2+3 portfolio temperature score from 3.2°C to 2.82°C	-	SBTi Well Below 2°C Scenario	Temperature Rating	°C	3.20	2027	2.77	2.77	93%
							3.20		3.07	3.02	47%
Scope 3 / Private Sector Bonds	0.3%	To reduce the private sector bonds portfolio's Scope 1+2 temperature rating from 2.57°C in the 2021 base year to 2.31°C by 2027, and its Scope 1+2+3 temperature rating from 2.86°C in the 2021 base year to 2.59°C by 2027.	-	SBTi Well Below 2°C Scenario	Temperature Rating	°C	2.57	2027	2.80	2.58	-4%
							2.86		3.18	2.90	-15%
Phase-out Commitments											
Scope	Base Year Portfolio Share	Commitment	-	-	-	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
Scope 3 / Coal Phase-out Commitment*	3%	We commit not to finance any new coal-fired power plants or coal mining investments for power generation and to completely phase out the sector by reducing our exposure to coal-related activities in our outstanding loan portfolio to zero by the end of 2035	-	-	-	%	3%	2035	2.4%	1.5%	50%

* Companies in TSKB's portfolio with activities directly related to coal are coal-fired power plants and fall within the Bank's target scope. The absolute emissions and production-based emissions intensity values attributable to these companies are disclosed to the public separately, both within the electricity generation portfolio and under the coal sector.

Power Generation Project Finance

The Bank's decarbonization target specific to the power generation sector was set in line with SBTi's 1.5°C scenario to limit global warming to 1.5°C above pre-industrial levels. The science-based target set by the Bank was approved by the SBTi in 2023 and formed the basis for the 2030 interim target.

Following the 2021 base year, an increase in emission intensity was observed due to the repayment of loans in the power generation project finance portfolio.

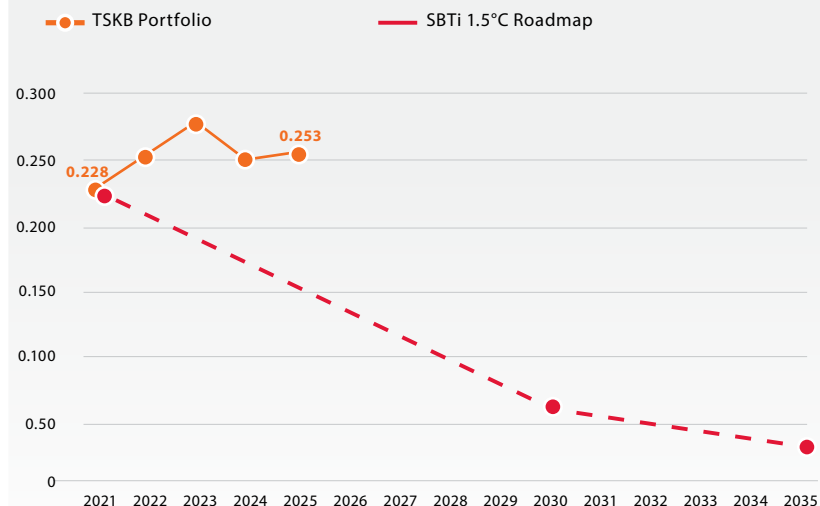
In 2025, TSKB also carried out lending activities for this asset class within the climate finance framework. As of year-end 2025, power generation is the largest sector in the Bank's loan portfolio, with a 30% share. Renewable energy projects constitute 94% of this portfolio.

In its relevant policy, TSKB has declared that it will not finance newly established coal-fired thermal power plants, capacity expansions, or coal mining investments, and will phase out coal financing by the end of 2035.

The Bank has structured its roadmap to achieve its targets of 73.6% for 2030 and 85.6% for 2035 in line with its approach of continuing to finance renewable energy.

Although the emission intensity of the project finance portfolio increased in 2025 compared to 2024 due to the repayment of loans in the renewable energy portfolio, TSKB will continue to focus on renewable energy and manage its portfolio in line with its net-zero targets, as it has in the past.

Electricity Generation Project Finance - Sectoral Decarbonization Approach (tCO₂e/MWh)



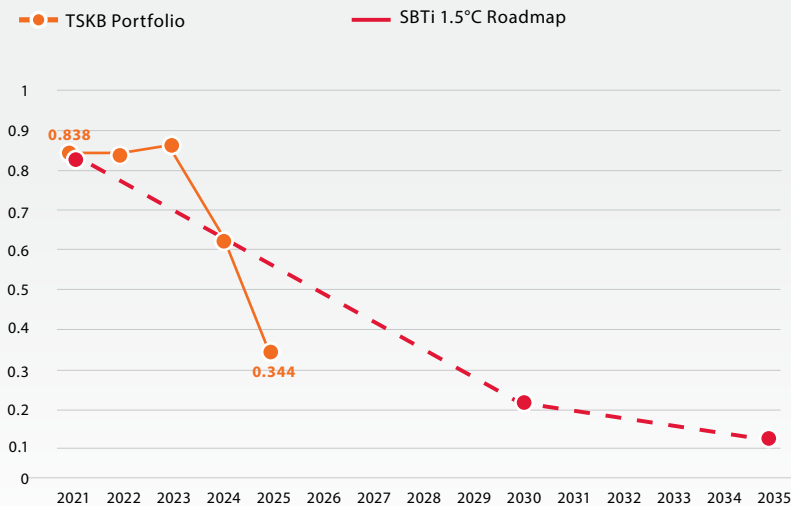
Power Generation Corporate Loans

To support the rehabilitation and/or environmental investments of power generation facilities and to promote the use of cleaner technologies in Türkiye's electricity generation, TSKB has established its science-based target in line with the SBTi's 1.5°C scenario for limiting climate change relative to the pre-industrial era. Within the scope of the target monitored by the performance of customers in the corporate loan portfolio that operate fossil-fuel-fired thermal power plants and renewable energy firms, a downward trend has emerged compared with 2024 due to TSKB's climate policies and repayment schedules.

The science-based target set by the Bank was approved by the SBTi in 2023 and forms the basis for the 2030 interim target.

In addition to its green lending activities, and by supporting customers' transitions to a low-carbon economy through Escarus, reduction targets of 73.7% by 2030 and 85.7% by 2035 were set relative to the 2021 base year.

Power Generation Corporate Loans - Sectoral Decarbonization Target (tCO₂e/MWh)

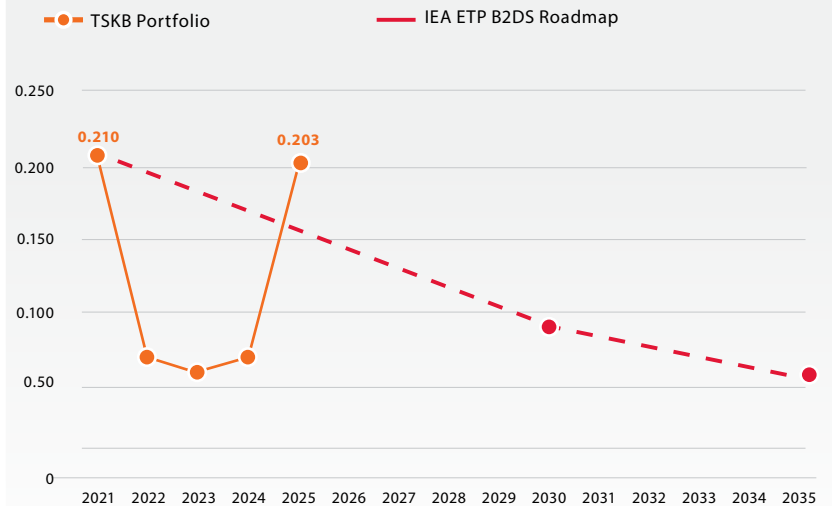


Commercial Real Estate Corporate Loans

TSKB has set science-based targets aligned with the IEA ETP B2DS scenario to contribute to reducing indirect emissions from the energy used by commercial real estate properties in its corporate loan portfolio—such as office buildings, shopping malls, warehouse investments, and hospital investments—during both their construction and operational phases for needs like heating, cooling, and lighting. The target, approved by the SBTi in 2023, which projects a 71% reduction by 2035 relative to the 2021 base year, also forms the basis for the interim target of a 53% reduction by 2030.

Although new investments made in 2025 increased emissions intensity compared to 2024, the alignment of the companies in the real estate portfolio with the target scenario is being monitored. In the future, the Bank will continue to compose its real estate portfolio with energy-efficient or green building-certified structures, closely monitor its portfolio, and manage its emissions.

Commercial Real Estate Corporate Loans - Sectoral Decarbonization Target (tCO₂e/m²)



Other Long-Term Corporate Loans

TSKB monitors its SBTi-approved target for other long-term corporate loans on a monthly basis and discloses its performance annually. This target covers emission-intensive industrial sector companies such as iron and steel, cement, aluminum, and fertilizer, as well as other corporate loans in the industrial sector, affecting an average of 30% of the loan portfolio. In line with its development mission, the Bank supports the transition of its portfolio customers to a low-carbon economy through its activities, financing their green transition investments and investments aimed at reducing on-site energy consumption, such as solar power plants (SPPs) and energy- and resource-efficiency projects.

In 2025, the Bank continued to raise awareness among customers in its portfolio, encouraging greenhouse gas measurement and risk analysis studies. Through Escarus, it provided support to customers in creating decarbonization and green transition roadmaps.

With the contribution of its green investment strategies, TSKB maintained the Scope 1+2 temperature score of its long-term corporate loan portfolio at 2.77°C at year-end 2025, while reducing the Scope 1+2+3 temperature score to 3.02°C. TSKB closely monitors its portfolio by conducting monthly temperature score analyses. Projections are made for investments to be reviewed by the Bank's Credit Committee, and the impact of these investments on TSKB's temperature score is integrated into the lending decision-making processes. The matter is regularly reported to senior management during committee meetings.

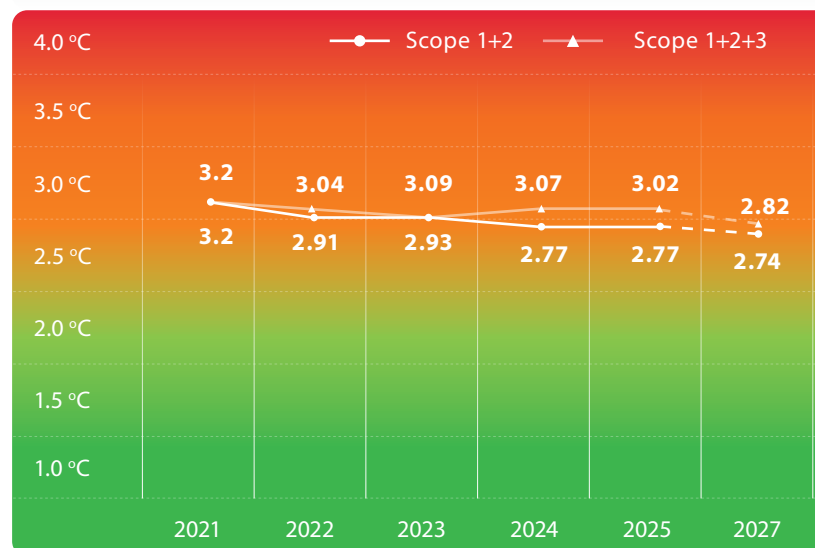
This approach allows for the management of the portfolio in line with its targets. TSKB will continue to closely monitor its portfolio through temperature score analyses in the upcoming periods.

Corporate Bonds

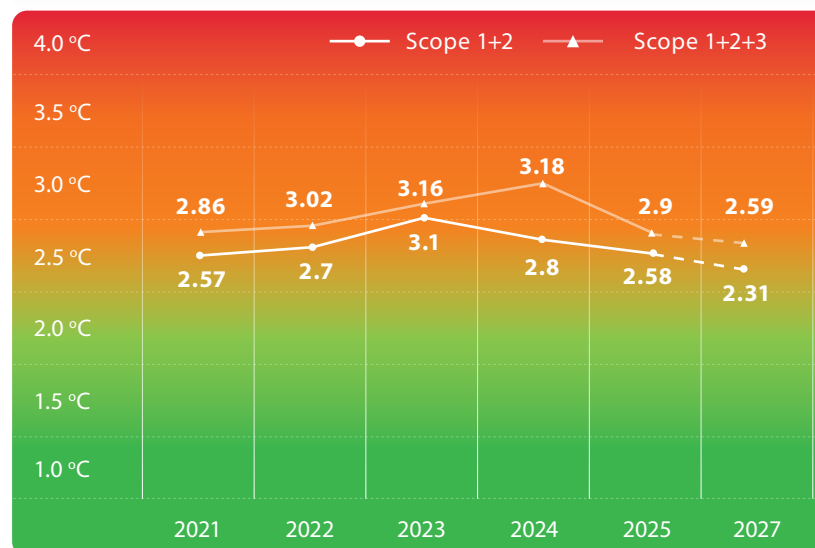
Private sector bond transactions are carried out by TSKB's Treasury Department with a focus on optimizing the balance sheet's assets and liabilities. Throughout the year, corporate bond purchases are made based on market conditions, with a focus on efficiency. Although current market conditions leave limited room for improvement, and temperature scores show an increase compared to the base year, it was observed that in 2025, the Scope 1+2 temperature score decreased to 2.58°C, and the Scope 1+2+3 temperature score decreased to 2.90°C.

In the upcoming period, TSKB will continue to direct its investments in line with the SBTi-approved science-based targets it has set as part of responsible investment principles.

Other Long-Term Corporate Loans Temperature Rating



Corporate Bonds Temperature Rating



Significant Developments After the Reporting Period

In February 2026, the Bank updated its Sustainability Policy and its complementary policies. By adding the Nature and Biodiversity Policy to its complementary policies, it has focused on its nature-related risks and opportunities. It will continue its efforts in this area in the coming period.

COMPLIANCE OPINIONS

238	Independent Auditor's Report on the Annual Report of the Board of Directors
240	Integrated Annual Report Limited Assurance Report
244	Industrial Development Bank of Türkiye (TSKB) Integrated Annual Report 2025 - Reporting Principles
258	ISO 14001 Audit Certificate
259	ISO 14064 Audit Certificate
260	ISO 27001 Audit Certificate
261	ISO 45001 Audit Certificate

**THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT**





CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Türkiye Sınai Kalkınma Bankası A.Ş.

1. Qualified Opinion

We have audited the annual report of Türkiye Sınai Kalkınma Bankası A.Ş. (the "Bank") and its subsidiaries (the "Group") subject to consolidation for the period of 1 January 2025 - 31 December 2025.

In our opinion, except for the effect of the matter described in the Basis For Qualified Opinion paragraph below, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set unconsolidated and consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Qualified Opinion

As expressed in the auditor's reports dated 3 February 2026 on the Bank's and the Group's full set unconsolidated and consolidated financial statements for the 1 January - 31 December 2025 period; the unconsolidated and consolidated financial statements include a free provision classified as other provision as at 31 December 2025 amounting to TL 1.100.000 thousand, which consists of TL 2.050.000 thousand provided in prior years and TL 950.000 thousand reversed in the current year by the Bank and the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 1.100.000 thousand, net profit and equity would have decreased by TL 950.000 thousand and increased by TL 1.100.000 thousand, respectively as at 31 December 2025.

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the scope of "Regulation on Independent Audit of Banks" published on the Official Gazette No.29314 dated 2 April 2015. Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Our Audit Opinion on the Full Set Unconsolidated and Consolidated Financial Statements

We expressed a qualified opinion in the auditor's reports dated 3 February 2026 on the Bank's and the Group's full set unconsolidated and consolidated financial statements for the 1 January 2025 - 31 December 2025 period.

4. Board of Director's Responsibility for the Annual Report

The Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102, Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and "Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks" published in Official Gazette No.26333 dated 1 November 2006 are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report, financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.

c) to include the matters below in the annual report:

events of particular importance that occurred after the operating year, the research and development activities of the Group, financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Banking Regulation and Supervision Agency, Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of the TCC, Communiqué and "Regulation on Independent Audit of Banks" published on the Official Gazette No.29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements of the Bank and the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements and with the information obtained in the course of audit.

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

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 5 March 2026

LIMITED ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF TÜRKİYE SINAI KALKINMA BANKASI A.Ş.



Limited Assurance Report

to the Board of Directors of Türkiye Sınai Kalkınma Bankası A.Ş.

We have been engaged by the Board of Directors of Türkiye Sınai Kalkınma Bankası A.Ş. (the “Bank” or “TSKB”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the TSKB 2025 Integrated Annual Report (“2025 Integrated Annual Report”) for the year ended 31 December 2025 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2023, which is subject to our limited assurance work, set out in the pages 68, 79, 81, 120, 128, 129, 145, 156 and 162 of the 2025 Integrated Annual Report with the sign “☑” is summarized below:

Social Indicators

- Female employee ratio across the Bank (%)
- Female ratio in management positions (%)
- Female ratio in middle management (%)
- Female ratio on the Board of Directors (%)
- Female ratio in Senior Management (%)
- Gender Pay Gap (Average)
- Gender Pay Gap (Median)
- Average Training Hours Per Employee (hours)
- Voluntary Turnover Rate (%)
- High Performer Turnover Rate (%)
- Female ratio in revenue-generating departments (%)
- Ratio of Female Employees in STEM-Related Positions (%)
- Female ratio among interns (%)
- Hybrid Working Ratio (%)
- Return rate after maternity leave (%)
- Employee engagement survey participation rate (%)
- Female ratio benefiting from flexible working arrangements (%)
- Female ratio with internal mobility (rotation / internal transfer) (%)
- Female ratio among new hires (%)
- Female ratio among promoted employees (%)
- Female ratio among participants joining through the TSKB Career Workshop graduate program (%)
- Female ratio in recruitment interviews (%)

- Female ratio among employees representing the employer brand externally (%)
- Female ratio among students participating in the Sustainability Workshop (%)
- Net promoter score (%)
- TSKB Economic Research Reports and Blog Posts (#)
- Publish two reference reports in the TSKB Development Perspective category, focusing on macroeconomics and development
- Publish two Ekosisteme Dair (Ecosystem Review) papers to draw attention to the ecosystem crisis and to support intellectual capital through up-to-date developments

Environmental Indicators

- Contribution to CO₂ Emission Reductions from Financed Renewable Energy Projects By the End Of 2025 (Million tons CO₂/year)
- TSKB Solo Scope 1 Emissions (*GRI Metric)
- TSKB Solo Scope 2 Emissions - Market-Based (*GRI Metric)
- TSKB Solo Scope 2 Emissions - Location-Based (*GRI Metric)
- TSKB and Affiliates Scope 1 Emissions (tonCO₂e) (*GRI Metric)
- TSKB and Affiliates Scope 2 Emissions - Market-Based (tonCO₂e) (*GRI Metric)
- TSKB and Affiliates Scope 2 Emissions - Location-Based (tonCO₂e) (*GRI Metric)
- TSKB Solo Scope 3 Emissions (tonCO₂e) (*GRI Metric)
- Head Office Electricity Consumption (kWh)
- Electricity Density (kWh/m²)
- Head Office Natural Gas Consumption (m³)
- Natural Gas Density (m³/m²)
- Head Office Water Consumption (m³)
- Water Density (m³/employee)
- Head Office Paper Consumption (kg)
- Amount of Recycled Plastic and Paper (kg)

Economic Indicators

- Provide USD 200 million or more in financing for women's employment and women's empowerment by year-end 2026
- Provide USD 600 million or more in SDG-linked financing focused on social development by year-end 2026
- Limiting the Share of Financing for Power Plants Generating Electricity from Non-Renewable Sources within the Bank's Loan Portfolio to 5% (%)
- Not Financing New Coal-Fired Thermal Power Plants and Coal Mining Investments for Electricity Generation Within the Scope of Combating Climate Change (#)
- Number Of Renewable Energy Projects Financed by The End Of 2025, Categorized by Their Sources (#)
- Total Installed Capacity of Renewable Energy Sources Supported by Financing to Date as of Year-End 2025 (MW)
- Rate of achievement of USD 600 million earthquake mitigation financing target by the end of 2025
- TSKB's Share in Türkiye's Renewable Energy Capacity through Projects Financed to Date as of Year-End 2025 (%)
- Provide USD 5 billion or more in climate financing by 2030
- Provide USD 15 billion or more in SDG-linked financing by 2030 (%)
- Share of SDG-linked loans in the total portfolio (%)
- Share of loans contributing to climate- and environment-related SDGs (%)

Our assurance was with respect to the Selected Information marked with "✓" in the in the 2025 Integrated Annual Report, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with "✓" in the 2025 Integrated Annual Report and, any other elements included in the 2025 Integrated Annual Report and, therefore, do not express any conclusion thereon.



Criteria

The criteria used by the Bank to prepare the Selected Information is set out in section Industrial Development Bank of Türkiye (TSKB) Integrated Annual Report 2025 –Reporting Principles (the “Reporting Principles”) on the pages between 244 and 253 of the 2025 Integrated Annual Report.

The Bank’s Responsibility

The Bank is responsible for the content of the 2025 Integrated Annual Report and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Bank and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Bank's Selected Information for the year ended 31 December 2025, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Bank as a body, to assist the Board of Directors in reporting Bank's performance and activities related to the Selected Information. We permit the disclosure of this report within the 2025 Integrated Annual Report for the year ended 31 December 2025, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Türkiye Sınai Kalkınma Bankası A.Ş. as a body and Türkiye Sınai Kalkınma Bankası A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

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

Ali Yörük, SMMM
Independent Auditor

Istanbul, 30 April 2026

INDUSTRIAL DEVELOPMENT BANK OF TÜRKİYE (TSKB) INTEGRATED ANNUAL REPORT 2025 – REPORTING PRINCIPLES

The information contained in these principles covers the financial year ending December 31, 2025, and the relevant operations in Türkiye for which TSKB is responsible, as detailed in the “Key Definitions and Scope of Reporting” section.

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasize to users of information the basic principles of relevance and reliability of information,
- In reporting information - emphasizing the principles of comparability/consistency of information with other data, including previous year, and the principles of understandability/transparency providing clarity to users.

Key Definitions and Scope of Reporting

For the purpose of this report, the Bank makes the following definitions:

Capital	Indicator	Scope
Human	Female employee ratio across the Bank (%)	In the reporting period, it expresses the ratio of the number of female employees in the Banking Staff, defined as employees with hierarchy code 1000 and above, which is monitored by the Bank's Human Resources data platform, to the total number of employees.
Human	Female ratio in management positions (%)	In the reporting period, it refers to the ratio of the number of female employees in the Bank's managerial staff, which is defined as employees with a hierarchy code of 6000 and above, including Manager and above positions, tracked through the Bank's Human Resources data platform, to the total number of managers
Human	Female ratio in middle management (%)	In the reporting period, it expresses the ratio of the number of female employees in the Bank's middle management staff, defined as employees with a hierarchy code of 6000 and covering Manager positions, which is tracked through the Bank's Human Resources data platform, to the total number of managers.
Human	Female ratio on the Board of Directors (%)	In the reporting period, it refers to the ratio of female members of the Board of Directors among the members of the Board of Directors published on the Bank's official website and in the Annual Reports.
Human	Female ratio in Senior Management (%)	In the reporting period, it refers to the ratio of the number of female employees in senior management, consisting of Director, Deputy General Manager, and General Manager positions, tracked by the Bank's Human Resources data platform, to the total number of members in senior management.
Human	Gender Pay Gap (Average)	In the reporting period, it refers to the ratio between the arithmetic averages of the gross salaries of the Bank's female and male employees, which are monitored through the Human Resources data platform and reported to the Social Security Institution.

Capital	Indicator	Scope
Human	Gender Pay Gap (Median)	In the reporting period, it refers to the ratio of the median of the gross salaries of the Bank's female and male employees, which are monitored by the Human Resources data platform and reported to the Social Security Institution, when sorted from smallest to largest, which means taking the number that separates the series from the middle.
Human	Average Training Hours Per Employee (hours)	In the reporting period, it refers to the ratio to the average number of employees of the Banking staff in the relevant year, which is monitored through the Bank's Training Portal. Banking staff does not include administrative staff employees.
Human	Voluntary Turnover Rate (%)	In the reporting period, it expresses the ratio of the total number of employees who left the Bank by resignation, declared to the Bank's Social Security Institution through the Employment Resignation Declaration within the reporting year, to the total number of employees at year-end.
Human	High Performer Turnover Rate (%)	In the reporting period, the ratio of the number of employees whose performance grade in 2025 is 2.75 and above on average in the last 4 years on a scale of 1-4 points and who are defined as high performers, to the total number of high performers of the Bank's employees who left their jobs by declaring to the Bank's Social Security Institution with the Declaration of Resignation of Employment within the reporting year.
Human	Female ratio in revenue-generating departments (%)	In the reporting period, based on the Bank's Human Resources data platform, it expresses the ratio of the number of female employees working in departments engaged in revenue-generating activities such as sales, marketing, consultancy, corporate finance, and project finance, to the total number of employees in the relevant departments.
Human	Ratio of Female Employees in STEM-Related Positions (%)	In the reporting period, based on the Bank's Human Resources data platform, it expresses the ratio of the number of female employees working in STEM-related departments, namely the IT line, KMSY, Engineering, and İDSY departments, to the total number of employees in the relevant positions.
Human	Female ratio among interns (%)	In the reporting period, based on the Bank's Human Resources data platform, it expresses the ratio of the number of female interns who started their internship at the Bank to the total number of interns who started their internship during the same period.
Human	Hybrid Working Ratio (%)	In the reporting period, it refers to the ratio obtained by subtracting the ratio obtained by dividing the number of employees entering the Bank between January 2025 and December 2025, which is monitored by Card Access System (KGS), first by working days and then by the number of employees, from 1. The number of employees entering the Bank, working days and number of employees are calculated on a monthly basis and employees on leave are not included in this monthly calculation. The entries of persons with the same registration number who enter the Bank more than once during the day through the KGS system are counted once.
Human	Return rate after maternity leave (%)	In the reporting period, it refers to the ratio of the number of people who went on maternity leave within the periods specified in the regulation within the scope of the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave, which is monitored by the Bank's Human Resources data platform, to the number of employees returning from maternity leave.
Human	Employee engagement survey participation rate (%)	In the reporting period, it refers to the ratio of the number of employees who responded to the Bank's employee satisfaction survey conducted by AON Hewitt Kincentric (IDE Consulting) to the total number of employees for whom the survey was shared.

Capital	Indicator	Scope
Human	Female ratio benefiting from flexible working arrangements (%)	In the reporting period, it refers the ratio of the requests of female employees who entered flexible working at the Bank between January-December 2025, monitored by the Flexible Working Report, to the flexible working request entries of all employees.
Human	Female ratio with internal mobility (rotation / internal transfer) (%)	In the reporting period, it refers to the ratio of the number of female employees who were included in the rotation process, which is defined as internal transfer or temporary assignment in a different department, which is monitored through the Bank's Human Resources data platform and notified to all employees through announcements within the Bank, to the total number of employees who changed departments.
Human	Female ratio among new hires (%)	In the reporting period, it refers the ratio of the number of women recruited in the Banking staff, which is monitored by the Bank's Human Resources data platform, recruited by the Bank and declared to the Social Security Institution with the Declaration of Employment within the reporting year, to the total number of people recruited.
Human	Female ratio among promoted employees (%)	In the reporting period, it refers to the ratio of the number of promoted female employees to the total number of promoted employees, which is monitored through the Bank's Human Resources data platform and notified to all employees through announcements within the Bank.
Human	Female ratio among participants joining through the TSKB Career Workshop graduate program (%)	In the reporting year, it refers the ratio of the number of female employees who successfully completed the TSKB Academy MT programme and started to work as MTs at the Bank, who are 4 th year students in Business Administration, Economics, Engineering faculties or postgraduate students in Economics or Finance or recent graduates, to the total number of TSKB Academy New Graduate Program participants.
Human	Female ratio in recruitment interviews (%)	In the reporting period, it refers to the ratio of the number of female candidates interviewed in the recruitment process for open positions, which is monitored through the Bank's Human Resources data platform, to the total number of interviewed candidates.
Human	Female ratio among employees representing the employer brand externally (%)	In the reporting period, the ratio of the number of female employees working in university collaborations to the total number of people working in university collaborations, as disclosed on the Bank's official website.
Human	Female ratio among students participating in the Sustainability Workshop (%)	In the reporting period, the ratio of the number of female participants in the case study on sustainability conducted for university students to the total number of participants.
Human	Net promoter score (%)	In the reporting period, it expresses the rate at which employees recommend the company.
Intellectual	TSKB Economic Research Reports and Blog Posts (#)	In the reporting period, it refers to the number of reports prepared by the Bank's TSKB Economic Research Department in Turkish and English under the titles of TSKB Agenda, TSKB Weekly Agenda, Macro Opinion, Energy Bulletin, Climate News, TSKB Outlook, New Month, and blog posts published on the website https://www.tskb.com.tr/tr/yatirim-bankaciligi/ekonomik-arastirmalar and https://www.tskb.com.tr/blog .
Intellectual	Publish two reference reports in the TSKB Development Perspective category, focusing on macroeconomics and development	In the reporting period, it refers to the number of reference reports focused on Macroeconomics and Development published by the TSKB Economic Research unit in the 'Development Perspective' category on the website https://www.tskb.com.tr/arastirma-raporlari/ekonomik-arastirmalar/tskb-bakis

Capital	Indicator	Scope
Intellectual	Publish two Ekosisteme Dair (Ecosystem Review) papers to draw attention to the ecosystem crisis and to support intellectual capital through up-to-date developments	In the reporting period, it refers to the number of Ecosystem Review reports prepared quarterly in Turkish and English by the Bank's TSKB Economic Research Unit and published on the websites https://www.tskb.com.tr/arastirma-raporlari/ekonomik-arastirmalar/ekosisteme-dair and https://www.tskb.com.tr/en/research-reports/economic-research/ecosystem-review .
Natural	Contribution to CO ₂ Emission Reductions from Financed Renewable Energy Projects By the End Of 2025 (Million tons CO ₂ /year)	In the reporting period, it refers to the amount of CO ₂ emission reduction prevented by renewable energy projects covering Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, which are monitored through the Bank's credit screens and financed by contracts and Board of Directors' resolutions to date.
Natural	TSKB Solo Scope 1 Emissions (*GRI Metric)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank's natural gas consumption tracked through invoices, the diesel and gasoline consumption of company vehicles monitored by a third-party firm, the diesel consumption of generators monitored through invoices, and the fire extinguishers and refrigerant gases monitored via service forms from the maintenance company.
Natural	TSKB Solo Scope 2 Emissions - Market-Based (*GRI Metric)	In the reporting period, it refers to the amount of the indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the remaining amount of electricity generated, which is calculated by subtracting the amount of purchased renewable energy (I-REC) from the amount of indirect greenhouse gas emissions resulting from electricity consumption representing the Bank's indirect energy consumption.
Natural	TSKB Solo Scope 2 Emissions - Location-Based (*GRI Metric)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the generation of electricity, which represents the Bank's indirect energy consumption.
Natural	TSKB and Affiliates Scope 1 Emissions (tonCO ₂ e) (*GRI Metric)	In the reporting period, it refers to the amount of direct greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank and its affiliates natural gas consumption tracked through invoices, the diesel and gasoline consumption of company vehicles monitored by a third-party firm, the diesel consumption of generators tracked through invoices, and the fire extinguishers and refrigerant gases monitored via service forms from the maintenance company.
Natural	TSKB and Affiliates Scope 2 Emissions - Market-Based (tonCO ₂ e) (*GRI Metric)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the remaining amount of electricity generated, which is calculated by subtracting the amount of purchased renewable energy (I-REC) from the amount of indirect greenhouse gas emissions resulting from electricity consumption representing the Bank's indirect energy consumption.
Natural	TSKB and Affiliates Scope 2 Emissions - Location-Based (tonCO ₂ e) (*GRI Metric)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the generation of electricity, which represents the indirect energy consumption of the Bank and its affiliates.
Natural	TSKB Solo Scope 3 Emissions (tonCO ₂ e) (*GRI Metric)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the value chain, calculated according to the Bank and its affiliates Greenhouse Gas Protocol. Scope 3 emissions consist of the following subcategories: Category 1: Emissions resulting from the consumption of purchased paper, cardboard, and water. Category 2: Emissions resulting from the production of purchased capital goods. Category 6: Emissions resulting from transportation during domestic and international business travel. Category 7: Emissions resulting from the transportation of employees commuting to and from work. Category 15: Represents the share of the company's Scope 1, 2, and 3 emissions from companies in the investment portfolio, corresponding to the proportion financed by the company in the relevant year.

Capital	Indicator	Scope
Natural	TSKB and Affiliates Scope 3 Emissions (tonCO ₂ e) (*GRI Metric)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the value chain, calculated according to the Bank's Greenhouse Gas Protocol. Scope 3 emissions consist of the following subcategories: Category 1: Emissions resulting from the consumption of purchased paper, cardboard, and water. Category 2: Emissions resulting from the production of purchased capital goods. Category 6: Emissions resulting from transportation during domestic and international business travel. Category 7: Emissions resulting from the transportation of employees commuting to and from work. Category 15: Represents the share of the company's Scope 1, 2, and 3 emissions from companies in the investment portfolio, corresponding to the proportion financed by the company in the relevant year.
Natural	Head Office Electricity Consumption (kWh)	In the reporting period, it refers to the amount of electricity consumed during the reporting period, which is monitored through the Digital Sustainability Management System application used by the Head Office, which can be mapped with the invoices received from the service provider institutions and financial reporting systems over (12 months).
Natural	Electricity Density (kWh/m ²)	In the reporting period, it refers to the ratio of the amount of electricity consumed to the total m ² , which is monitored through the Digital Sustainability Management System application used by the Bank and can be mapped with financial reporting systems over the invoices (12 months) received from service provider institutions. Front and Rear Building, Education and Culture Facilities locations are included in the consumption amount.
Natural	Head Office Natural Gas Consumption (m ³)	In the reporting period, it refers to the amount of natural gas consumed by the Head Office in the operations requiring heating, kitchen and other natural gas, which can be mapped with financial reporting systems through the invoices (12 months) received from service provider institutions and monitored through the Digital Sustainability Management System application used.
Natural	Natural Gas Density (m ³ /m ²)	In the reporting period, it refers to the ratio of the amount of natural gas consumed to the total m ² , which is monitored through the Digital Sustainability Management System application used by the Bank, used in heating, kitchen and other operations requiring natural gas in the Front and Back Building, which can be mapped with financial reporting systems through invoices (12 months) received from service provider institutions. The consumption amount includes the locations of the Front and Rear Buildings, Education and Culture Facilities.
Natural	Head Office Water Consumption (m ³)	In the reporting period, it refers to the amount of municipal water consumed, which is monitored through the Digital Sustainability Management System application used by the Head Office, and which can be mapped with financial reporting systems over the invoices (12 months) received from service provider institutions.
Natural	Water Density (m ³ /employee)	In the reporting period, it refers to the ratio of the amount of municipal water consumption, which is monitored from the invoices received by the Bank from service providers (12 months) and can be mapped with financial reporting systems, to the total number of employees who come to the Bank in hybrid working order. Front and Back Building, Education and Culture Facilities locations are included in the consumption amount.
Natural	Head Office Paper Consumption (kg)	In the reporting period, it refers to the total amount of paper/cardboard consumption purchased and used by the Bank.
Natural	Amount of Recycled Plastic and Paper (kg)	In the reporting period, it refers to the total amount of plastic and paper/cardboard waste sent to Beyoğlu Municipality for recycling and tracked with signed waste reports.

Capital	Indicator	Scope
Financial	Provide USD 200 million or more in financing for women's employment and women's empowerment by year-end 2026	In the reporting period, it refers to the total amount of financing provided under the Bank's loan and financing programs that support women's employment and contribute to women's economic empowerment.
Financial	Provide USD 600 million or more in SDG-linked financing focused on social development by year-end 2026	In the reporting period, it refers to the total amount of financing provided by the Bank for social development-focused projects aligned with the United Nations Sustainable Development Goals (SDGs). Loan and financing transactions provided in areas such as education, healthcare, poverty reduction, reduction of inequalities and social development are evaluated within this scope.
Financial	Limiting the Share of Financing for Power Plants Generating Electricity from Non-Renewable Sources within the Bank's Loan Portfolio to 5% (%)	In the reporting period, it refers to the share of loans extended to power plants generating electricity from non-renewable energy sources within the Bank's total loan portfolio.
Financial	Not Financing New Coal-Fired Thermal Power Plants and Coal Mining Investments for Electricity Generation Within the Scope of Combating Climate Change (#)	In the reporting period, it refers to the presence of Coal Fired Thermal Power Plant and Coal Mining for Electricity Generation within the total investment financing projects monitored by the Bank's credit screens.
Financial	Number Of Renewable Energy Projects Financed by The End Of 2025, Categorized by Their Sources (#)	In the reporting period, the number of renewable energy projects that are monitored through the Bank's credit screens and financed by contracts and Board of Directors' resolutions, including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Roof/Land Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, according to their source.
Financial	Total Installed Capacity of Renewable Energy Sources Supported by Financing to Date as of Year-End 2025 (MW)	In the reporting period, it refers to the total installed power amount of renewable energy projects including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, which are monitored through the Bank's credit screens and financed by contracts and Board of Directors' decisions.
Financial	Rate of achievement of USD 600 million earthquake mitigation financing target by the end of 2025	In the reporting period, it refers to the amount of loans allocated in USD, monitored through the Bank's credit screens and financed by contracts and Board of Directors' resolutions, in the aftermath of the earthquakes that occurred in Türkiye on 6 February 2023, to: -companies located in the earthquake-affected provinces and the periphery region, -companies engaged in commercial activities producing earthquake-related materials, -companies carrying out activities aimed at restoring the supply chain of the affected region.
Financial	TSKB's Share in Türkiye's Renewable Energy Capacity through Projects Financed to Date as of Year-End 2025 (%)	In the reporting period, the ratio of the total installed capacity of renewable energy projects including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, which are monitored through the Bank's credit screens and financed by contracts and decisions of the Board of Directors, to the total installed capacity of renewable energy projects in Turkey monitored through the Turkish Electricity Transmission Company (TEİAŞ) system.
Financial	Provide USD 5 billion or more in climate financing by 2030	In the reporting period, it refers to the amount of loans in US allocated in 2025 with the contracts and Board of Directors' decisions, associated with the themes of Renewable Energy, Energy Efficiency, Circular Economy, Adaptation, Resource Efficiency, Raw Material Efficiency, Energy Generation, which are monitored through the Bank's credit monitoring system and assessed as having a direct or indirect impact on reducing climate change as a result of the evaluations with the sustainability assessment criteria manual.
Financial	Provide USD 15 billion or more in SDG-linked financing by 2030 (%)	In the reporting period 01.01.2025 - 31.12.2025, it represents the percentage of the total amount of loans identified as being linked to the United Nations Sustainable Development Goals within the total sum of 10 billion USD, based on evaluations made with the Bank's sustainability assessment criteria manual.

Capital	Indicator	Scope
Financial	Share of SDG-linked loans in the total portfolio (%)	In the reporting period, it refers to the percentage of United Nations Sustainable Development Goals related loans in the Bank's total loan portfolio as of 31.12.2025. Financial sector loans, loans related to non-renewable power plants, working capital and acquisition loans of companies whose field of activity is fuel distribution and coal trade are not defined as SDG loans.
Financial	Share of loans contributing to climate- and environment-related SDGs (%)	In the reporting period, it refers to the percentage of United Nations Sustainable Development Goals-related, Climate and Environment Theme-related loans in the Bank's total loan portfolio as of 31.12.2025. Financial sector loans, loans related to non-renewable power plants, working capital and acquisition loans of companies whose field of activity is fuel distribution and coal trade are not defined as SDG loans.

DATA PREPARATION

1. Environmental Indicators

Head Office Electricity Consumption (kWh)

Formula:

$$\frac{((\text{Electricity Consumption in the First 6 Months} * \text{Total Number of Employees Excluding Subsidiaries} * \text{Total Area of TSKB Head Office Excluding Subsidiaries}) / ((\text{Total Area of Head Office Including Subsidiaries} - \text{Total Area of Investment Finance})) * (\text{Total Number of Employees Including Subsidiaries} - \text{Total Area of Investment Finance})) + ((\text{Electricity Consumption in the Last 6 Months} * \text{Total Number of Employees Excluding Subsidiaries} * \text{Total Area of TSKB Head Office Excluding Subsidiaries}) / ((\text{Total Area of Head Office Including Subsidiaries} - \text{Total Area of Investment Finance})) * (\text{Total Number of Employees Including Subsidiaries} - \text{Total Area of Investment Finance}))}{(\text{Total Number of Employees Including Subsidiaries} - \text{Total Area of Investment Finance})}$$

Head Office Natural Gas Consumption (m³)

Formula:

$$\frac{((\text{Natural Gas Consumption in the First 6 Months} * \text{Total Number of Employees Excluding Subsidiaries} * \text{Total Area of TSKB Head Office Excluding Subsidiaries}) / ((\text{Total Area of Head Office Including Subsidiaries} * \text{Total Number of Employees Including Subsidiaries})) + ((\text{Natural Gas Consumption in the Last 6 Months} * \text{Total Number of Employees Excluding Subsidiaries} * \text{Total Area of TSKB Head Office Excluding Subsidiaries}) / ((\text{Total Area of Head Office Including Subsidiaries} * \text{Total Number of Employees Including Subsidiaries})))}{(\text{Total Area of Head Office Including Subsidiaries} * \text{Total Number of Employees Including Subsidiaries})}$$

Head Office Water Consumption (m³)

Formula:

$$\frac{(\text{Water Consumption of the first 6 Months} / (\text{Total Number of Employees Excluding Subsidiaries} * \text{Total Number of Employees Including Subsidiaries})) + (\text{Water Consumption of the Last 6 Months} / (\text{Total Number of Employees Excluding Subsidiaries} * \text{Total Number of Employees Including Subsidiaries}))}{(\text{Total Number of Employees Including Subsidiaries})}$$

Electricity Density (kWh/m²)

Formula:

Head Office Electricity Consumption / Front and Rear Building, Education and Culture Facilities m² Area

Natural Gas Density (kWh/m²)

Formula:

Head Office Natural Gas Consumption / Front and Rear Building, Education and Culture Facilities m² Area

Water Density (m³ /employee)

Formula:

Head Office Water Consumption / Total Number of Employees Actually Attending the Bank in Hybrid Working Pattern

TSKB's Share in Türkiye's Renewable Energy Capacity through Projects Financed to Date as of Year-End 2025 (%)

Formula:

TSKB Installed Capacity of Renewable Energy Capacity (MW) / Installed Capacity of Energy Capacity in Türkiye (MW)

Contribution to CO₂ Emission Reductions From Financed Renewable Energy Projects by the End Of 2025 (tons CO₂/year)

The amount of CO₂ emission reduction avoided by renewable energy projects including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants is calculated.

Formula:

Electricity Generation Amount (kWh) * Emission Reduction Factor (tco₂e) * 0.001
Emission Reduction Factor:

Emission Reduction Factor:

	Tons CO ₂ e/MWh
WPP and SPP:	0.624
BPP:	3.580
Other Projects:	0.535

Scope 1, 2 and 3 Greenhouse Gas Emissions (tons CO₂ equivalent)

Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with ISO 14064-1 and within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard," using the operational control approach. In the calculations, conversion factors to carbon dioxide equivalent (CO₂e) have been applied for CO₂, CH₄, N₂O and HFCs. The Scope 1 emission factors used were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the Scope 2 emission factors were obtained from ETBK-EVÇED, and the Scope 3 emission factors were sourced from DEFRA 2025 and ADEME Base Carbon v21, while the Global Warming Potential (GWP) coefficients were obtained from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.

The emission factors used inherently contain uncertainties, particularly for Scope 3 greenhouse gas emissions, as they rely on activity data and emission factors obtained from third parties. For the calculation of Scope 3 Category 15 emissions, the PCAF Methodology has been used. Companies with Score 1, Score 2 and Score 3 under the PCAF methodology were included in the calculations. Primary emission and consumption data obtained from clients were used as the data source. Verified client data were classified as Score 1, unverified client data as Score 2, and energy consumption data as Score 3. The amount of emissions to be attributed to the Bank's portfolio was determined by the "attribution factor"; this factor was calculated based on the ratio of the clients' outstanding exposure value to the clients' total liabilities value. At the final stage, financed emissions were reported as "company emissions × attribution factor." General emission calculations are carried out based on the following formulations:

CO₂ source carbon emissions = Operational Data * Emission Factor CO₂ * Global Warming Potential CO₂

CH₄ source carbon emissions = Operational Data * Emission Factor CH₄ * Global Warming Potential CH₄

N₂O source carbon emissions = Operational Data * Emission Factor N₂O * Global Warming Potential N₂O

Emission Amount (ton CO₂ equivalent) = CO₂ Emission Amount + CH₄ Emission Amount + N₂O Emission Amount

2. Social Indicators

Female employee ratio across the Bank (%)

Formula:

Number of Female Employees / Total Number of Employees

Female ratio in management positions (%)

Formula:

Number of Female Employees in Management / Total Number of Managers

Female ratio on the Board of Directors (%)

Formula:

Number of Female Members of the Board of Directors / Total Number of Members of the Board of Directors

Female ratio in middle management (%)

Formula:

Number of Female Employees in the Middle Management Staff / Total Number of Employees in the Middle Management Staff

Female ratio in Senior Management (%)

Formula:

Number of Female Employees in the Senior Management Staff / Total Number of Employees in the Senior Management Staff

Gender Pay Gap (Average) (%)

Formula:

$(1 - (\text{Average Gross Salary of Female Employees} / \text{Average Gross Salary of Male Employees}))$

Gender Pay Gap (Median) (%)

Formula:

$(1 - (\text{Gross Salaries of Female Employees} / \text{Gross Salaries of Male Employees}))$

Average Training Hours Per Employee (hours)

Total Completed Training Hours / Total Number of Employees

Voluntary Turnover Rate (%)

Number of Employees Quitting / Total Number of Employees

High Performer Turnover Rate (%)

Number of High-Performance Employees Quitting / Employees defined as High-Performance

Female ratio in revenue-generating departments (%)

Formula:

Number of Female Employees in Revenue-Generating Departments / Total Number of Employees in Revenue-Generating Departments

Female ratio in STEM-related positions (%)

Formula:

Number of Female Employees in STEM-Related Positions / Total Number of Employees in STEM-Related Positions

Female ratio among interns (%)

Formula:

Number of Female Interns Starting Their Internship / Total Number of Interns Starting Their Internship

Hybrid Working Ratio (%)

Formula:

$[(\text{Number of Daily Entries (Duplicate entries are counted as 1)} / \text{Working Day}) / (\text{Total Number of Employees})] - 1$

Female ratio benefiting from flexible working arrangements (%)

Formula:

Number of Female Employees Submitting Flexible Working Requests / Total Number of Flexible Working Requests

Return rate after maternity leave (%)

Formula:

Number of Female Employees Going on Maternity Leave / Number of Employees Returning from Maternity Leave

Female ratio with internal mobility (rotation / internal transfer)

Formula:

Number of Female Employees Who Changed Departments / Total Number of Employees Who Changed Departments

Female ratio among new hires (%)

Formula:

Number of Female Employees Recruited / Total Number of Female Employees Recruited

Female ratio among promoted employees (%)

Formula:

Number of Promoted Female Employees / Total Number of Promoted Employees

Female ratio among participants joining through the TSKB Career Workshop graduate program (%)

Formula:

Number of Female Employees Recruited through New Graduate Programme / Total Number of Employees Recruited through New Graduate Programme

Female ratio in recruitment interviews (%)

Formula:

Number of Female Candidates Who Entered the Recruitment Interview for Vacant Positions / Total Number of Candidates Who Entered the Recruitment Interview for Vacant Positions

Female ratio among employees representing the employer brand externally (%)

Formula:

Number of Female Employees Serving in External Employer Brand Representation Activities / Total Number of Employees Serving in External Employer Brand Representation Activities

Employee engagement survey participation rate (%)

Formula:

Number of Employees Participating in Employee Satisfaction Survey / Number of Employees Sent Employee Satisfaction Surveys

Net promoter score (%)

Formula:

Net Promoter Score = Promoters (%) - Detractors (%)

Female ratio among students participating in the Sustainability Workshop (%)

Ratio of Female Employees Participating in the Sustainability Workshop / Employees Participating in Sustainability Workshops

Share of SDG-linked loans in the total portfolio (%)

TSKB's banking system application list includes a "data analysis" section where loans are tracked together with their credit themes, SDG linkages, risk amounts and source of disbursement details.

SDG links are entered into the system according to the purpose of the project and the main activities of the company. The subject and purpose of the loan are specified in the loan agreements and loan approval forms between the Bank and the counterparty.

Financial sector loans, loans related to non-renewable energy power plants, working capital and acquisition loans of companies whose field of activity is fuel distribution and coal trade are not defined as SDG loans.

Sustainable themed loans are listed under the following 2 main headings:

1) APEX loans, by definition; loans granted only to SMEs (small and medium-sized enterprises) and exporters through other financial institutions such as leasing companies, commercial banks and participation banks.

2) The themed loans are as follows;

- Energy production
- Renewable energy
- Energy and resource efficiency
- Adaptation to environment and climate change
- Sustainable tourism
- Underdeveloped regions
- Electricity and gas distribution (only infrastructure loans are included in this scope)
- Health and Education
- Small and medium-sized enterprises
- Women employment
- Employment support
- Occupational health and safety
- Export support
- Agriculture industries
- Innovation and R&D

Formula:

Total amount of SDG-related risk / Total amount of risk

Share of loans contributing to climate- and environment-related SDGs (%)

Formula:

Risk amount of loans contributing to climate and environment related SDGs / Total risk amount

Restatements

The measurement and reporting of verified data inevitably involve a degree of estimation. Where there is a change of more than 5% in the data at the partnership level, a restatement of opinion may be considered.

Calculation Principles of Metrics

The information contained in these principles covers the financial year ending December 31, 2025, and the relevant operations in Türkiye for which TSKB is responsible, as detailed in the “Key Definitions and Scope of Reporting” section.

Consolidated Subsidiaries;

- Yatırım Finansman Menkul Değerler A.Ş.
- TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.

Unconsolidated Subsidiaries;

- TSKB Gayrimenkul Değerleme A.Ş. ve
- TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (Escarus)

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasize to users of information the basic principles of relevance and reliability of information,
- In reporting information - emphasizing the principles of comparability/consistency of information with other data, including previous year, and the principles of understandability/transparency providing clarity to users.

Key Definitions and Scope of Reporting

For the purpose of this report, the Bank makes the following definitions:

Capital	Indicator	Scope
Natural	TSKB Solo Scope 1 Emissions (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank's natural gas consumption tracked through invoices, the diesel and gasoline consumption of company vehicles monitored by a third-party firm, the diesel consumption of generators monitored through invoices, and the fire extinguishers and refrigerant gases monitored via service forms from the maintenance company.
Natural	TSKB Solo Scope 2 Emissions - Market-Based (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of the indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the remaining amount of electricity generated, which is calculated by subtracting the amount of purchased renewable energy (I-REC) from the amount of indirect greenhouse gas emissions resulting from electricity consumption representing the Bank's indirect energy consumption.
Natural	TSKB Solo Scope 2 Emissions - Location-Based (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the generation of electricity, which represents the Bank's indirect energy consumption.

Capital	Indicator	Scope
Natural	TSKB and Affiliates Scope 1 Emissions (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of direct greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank and its affiliates natural gas consumption tracked through invoices, the diesel and gasoline consumption of company vehicles monitored by a third-party firm, the diesel consumption of generators tracked through invoices, and the fire extinguishers and refrigerant gases monitored via service forms from the maintenance company.
Natural	TSKB and Affiliates Scope 2 Emissions - Market-Based (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the remaining amount of electricity generated, which is calculated by subtracting the amount of purchased renewable energy (I-REC) from the amount of indirect greenhouse gas emissions resulting from electricity consumption representing the Bank's indirect energy consumption.
Natural	TSKB and Affiliates Scope 2 Emissions - Location-Based (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the generation of electricity, which represents the indirect energy consumption of the Bank and its affiliates.
Natural	TSKB Solo Scope 3 Emissions (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the value chain, calculated according to the Bank and its affiliates Greenhouse Gas Protocol. Scope 3 emissions consist of the following subcategories: Category 1: Emissions resulting from the consumption of purchased paper, cardboard, and water. Category 2: Emissions resulting from the production of purchased capital goods. Category 6: Emissions resulting from transportation during domestic and international business travel. Category 7: Emissions resulting from the transportation of employees commuting to and from work. Category 15: Represents the share of the company's Scope 1, 2, and 3 emissions from companies in the investment portfolio, corresponding to the proportion financed by the company in the relevant year.
Natural	TSKB and Affiliates Scope 3 Emissions (tonCO ₂ e equivalent)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the value chain, calculated according to the Bank's Greenhouse Gas Protocol. Scope 3 emissions consist of the following subcategories: Category 1: Emissions resulting from the consumption of purchased paper, cardboard, and water. Category 2: Emissions resulting from the production of purchased capital goods. Category 6: Emissions resulting from transportation during domestic and international business travel. Category 7: Emissions resulting from the transportation of employees commuting to and from work. Category 15: Represents the share of the company's Scope 1, 2, and 3 emissions from companies in the investment portfolio, corresponding to the proportion financed by the company in the relevant year.

Data Preparation

1. Environmental Indicators

Scope 1, 2 and 3 Greenhouse Gas Emissions (tons CO₂ equivalent)

Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with ISO 14064-1 and within the framework of the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard,” using the operational control approach. In the calculations, conversion factors to carbon dioxide equivalent (CO₂e) have been applied for CO₂, CH₄, N₂O and HFCs. The Scope 1 emission factors used were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the Scope 2 emission factors were obtained from ETBK-EVÇED, and the Scope 3 emission factors were sourced from DEFRA 2025 and ADEME Base Carbon v21, while the Global Warming Potential (GWP) coefficients were obtained from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.

The emission factors used inherently contain uncertainties, particularly for Scope 3 greenhouse gas emissions, as they rely on activity data and emission factors obtained from third parties. For the calculation of Scope 3 Category 15 emissions, the PCAF Methodology has been used. Companies with Score 1, Score 2 and Score 3 under the PCAF methodology were included in the calculations. Primary emission and consumption data obtained from clients were used as the data source. Verified client data were classified as Score 1, unverified client data as Score 2, and energy consumption data as Score 3. The amount of emissions to be attributed to the Bank’s portfolio was determined by the “attribution factor”; this factor was calculated based on the ratio of the clients’ outstanding exposure value to the clients’ total liabilities value. At the final stage, financed emissions were reported as “company emissions × attribution factor.” General emission calculations are carried out based on the following formulations:

$$\begin{aligned} & \text{CO}_2 \text{ source carbon emissions} \\ &= \text{Operational Data} * \text{Emission Factor}_{\text{CO}_2} * \text{Global Warming Potential}_{\text{O}_2} \end{aligned}$$

$$\begin{aligned} & \text{CH}_4 \text{ source carbon emissions} \\ &= \text{Operational Data} * \text{Emission Factor}_{\text{CH}_4} * \text{Global Warming Potential}_{\text{H}_4} \end{aligned}$$

$$\begin{aligned} & \text{N}_2\text{O source carbon emissions} \\ &= \text{Operational Data} * \text{Emission Factor}_{\text{N}_2\text{O}} * \text{Global Warming Potential}_{\text{O}_2} \end{aligned}$$

$$\begin{aligned} & \text{Emission Amount (tonCO}_2 \text{ equivalent)} \\ &= \text{CO}_2 \text{ Emission Amount} + \text{CH}_4 \text{ Emission Amount} + \text{N}_2\text{O Emission Amount} \end{aligned}$$

Significant Judgments and Measurement Uncertainties

- The process for identifying the Bank's financially material sustainability-related risks and opportunities and determining the material information to be reported is based on estimates and forward-looking information covering its short-, medium- and long-term expectations regarding Tier I Capital, which is a key performance indicator for the sector. However, such assessments require the use of estimates for certain amounts that cannot be directly measured. Assumptions related to operational boundaries and emission calculations are provided under the heading "Data Preparation," while information on the metrics is disclosed on pages 224, 225, 226 and 227.
- The information presented on page 218 regarding companies that may be affected by the Carbon Border Adjustment Mechanism and the additional financial obligations arising within the scope of this mechanism—including the number of such companies, their likelihood of being affected and their market positions—as well as potential changes in the financial performance of these companies despite being affected by such obligations, is based on estimates and forward-looking information covering expectations for the short, medium and long term.
- The calculation steps presented on page 220 regarding the financial impacts of water stress, including the likelihood of companies located in geographies exposed to water stress being affected and the potential changes in their financial performance despite such impacts, are based on estimates and forward-looking information covering expectations for the short, medium and long term.
- The Bank uses global climate scenarios (IPCC RCP and IEA) to estimate the outputs relating to the financial and physical impact dimensions of its sustainability-related risks and opportunities. These scenarios involve uncertainties regarding how climate change, including the impact of increases or decreases in greenhouse gas emissions, may affect the frequency and intensity of climate events that the Bank may face. Such uncertainties arise from the variability in climate projections and the potential unforeseen changes in the behavior of natural and abnormal weather events due to changing weather patterns and evolving climate conditions.

Restatements

The measurement and reporting of verified data inevitably involve a degree of estimation. Where there is a change of more than 5% in the data at the partnership level, a re-statement of opinion may be considered.

ISO 14001 AUDIT CERTIFICATE

CERTIFICATE ■ ZERTIFIKAT ■ CERTIFIKAT ■ شهادة ■ BEGE

CERTIFICATE



Management Service Unit
of TÜV SÜD Turkey

continues to be



TÜRKİYE SİNAİ KALKINMA BANKASI

MECLİSİ MEBUSAN CAD. NO:81 FINDIKLI
34427 İSTANBUL / TÜRKİYE

has established and applies an Environmental Management System for

**DEVELOPMENT AND INVESTMENT
BANKING SERVICES**

An audit was performed.
Report No: 712925537

Proof has been furnished that the requirements according to

ISO 14001:2015
met fulfilled

if the yearly surveillance audits are performed.

Certificate Registration No.: 24 6 712925537

Initial Issue Date: 21.01.2013

Issue Date: 18.02.2024

Certificate Validity Date: 17.02.2027

Revision date / Rev. No. : 1 / -



FOUO: Turkey
Management Services Unit

24-SER-01072

Document No. FD-302a (Revised 10-1-2015)



Reported by: **Marcelo Duenkel**, No. 214412, 1000 (No Name) 11100, 3000 • **Company / Product / Service** **TUV®**

ISO 14064 AUDIT CERTIFICATE

VERIFICATION OPINION STATEMENT

**TÜV SÜD Türkiye
Industry Service Division**

certifies that the GHG Assertion reported by



Türkiye Sınai Kalkınma Bankası A.Ş.
Meclisi Mebusan Caddesi 81 Fındıklı, 34427
Beyoğlu/İstanbul /Türkiye

Please see appendix for included sites & scope.

Contract No: 25-IS-0759a-34-S / 712927917
Report No: 26-GR-0065

An audit was performed and has demonstrated that the
requirements laid down by

ISO 14064-1:2018

are fulfilled.

Certificate and Appendix Registration No.: 26-SER-00389-IS_VOS

Issue Date: 12.02.2026
Revision date / Rev. No.: - / -



Digitally signed
by ABDULKADİR
AKPINAR
Date: 2026.02.12
16:23:21 +03'00'

TÜV SÜD Türkiye
Industry Service Division

ISO 27001 AUDIT CERTIFICATE



Certificate of Registration

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2022

This is to certify that:

Türkiye Sınai Kalkınma Bankası
A.Ş.
Mecidi Mebusan Cad. 81 Fındıklı
Beyoğlu-İstanbul
İstanbul (Euro Side)
34427
Turkey

Holds Certificate No:

IS 748549

and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2022 for the following scope:

IT governance, IT security, IT Software development, IT infrastructure of System Support and Operations, Application development Departments, Information Security and Quality, Database Management units required for operating the bank operations of TSKB.
This is in accordance with Statement of Applicability, 9143, ver: 6, dated 17.04.2025

For and on behalf of BSI:

Theunis Kröze, Managing Director Assurance - IMETA

Original Registration Date: 2023-06-15

Latest Revision Date: 2025-05-30

Effective Date: 2024-06-15

Expiry Date: 2027-06-14

Page: 1 of 2



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Information Security Management System (ISMS) is a system of policies, procedures, and controls designed to protect an organization's information assets. It is a key component of an organization's overall risk management framework. For more information on BSI standards, visit www.bsi.com.

ISO 45001 AUDIT CERTIFICATE



APPENDICES

264	SASB Index
265	TPT Index
266	UNEP-FI Principles for Responsible Banking Progress Report
268	GRI Principles for Responsible Banking Progress Statement
272	UNGC and WEPs Indices
274	WEF Stakeholder Capitalism Index

**THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT**





SASB INDEX

Topic*	Code	Relevant Section
Data Security	FN-CB-230a.1	Intellectual and Manufactured Capital
	FN-CB-230a.2	
Financial Inclusion & Capacity Building	FN-CB-240a.1	Financial Capital
	FN-CB-240a.2	
	FN-CB-240a.3	
	FN-CB-240a.4	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Financial Capital Natural Capital Social Capital
Financed Emissions	FN-CB-410b.1	Natural Capital
	FN-CB-410b.2	
	FN-CB-410b.3	
	FN-CB-410b.4	
Business Ethics	FN-CB-510a.1	Governance
	FN-CB-510a.2	Corporate Governance and Risk Management
Systemic Risk Management	FN-CB-550a.1	
	FN-CB-550a.2	Corporate Governance and Risk Management

*Topics not directly related to TSKB's development banking value creation model have not been included in the table.

TPT INDEX

Ambition	Action		Accountability	
1. Foundations	2. Implementation Strategy	3. Engagement Strategy	4. Metrics and Targets	5. Governance
1.1 Strategic Ambition Strategic Plan Financial Capital Natural Capital TSRS aligned Sustainability Report - Strategy	2.1 Business Operations Financial Capital Natural Capital TSRS aligned Sustainability Report - Strategy	3.1 Engagement with Value Chain TSRS aligned Sustainability Report - Governance	4.1 Governance, Engagement, Business and Operational Metrics and Targets Financial Capital Natural Capital TSRS aligned Sustainability Report – Metrics and Targets	5.1 Board Oversight and Reporting TSRS aligned Sustainability Report - Governance
1.2 Business Model and Value Chain Financial Capital Natural Capital TSRS aligned Sustainability Report - Strategy	2.2 Products and Services Financial Capital	3.2 Engagement with Industry TSRS aligned Sustainability Report - Governance	4.2 Financial Metrics and Targets Financial Capital Natural Capital TSRS aligned Sustainability Report – Metrics and Targets	5.2 Management Roles, Responsibility and Accountability TSRS aligned Sustainability Report - Governance
1.3 Key Assumptions and External Factors Natural Capital TSRS aligned Sustainability Report - Strategy	2.3 Policies and Conditions TSRS aligned Sustainability Report - Governance	3.3 Engagement with Government, Public Sector and Civil Society TSRS aligned Sustainability Report - Governance	4.3 GHG Metrics and Targets Financial Capital Natural Capital TSRS aligned Sustainability Report – Metrics and Targets	5.3 Culture TSRS aligned Sustainability Report - Governance
	2.4. Financial Planning Financial Capital Natural Capital TSRS aligned Sustainability Report - Strategy		4.4 Carbon Credits TSRS aligned Sustainability Report - Strategy TSRS aligned Sustainability Report – Metrics and Targets	5.4 Incentives and Remuneration TSRS aligned Sustainability Report - Governance
				5.5 Skills, Competencies and Training TSRS aligned Sustainability Report - Governance

UNEP-FI PRINCIPLES FOR RESPONSIBLE BANKING PROGRESS STATEMENT

Principle 1: Alignment

The core framework of TSKB's sustainability management system is established by the Sustainability Policy, first published in 2012 and most recently updated in February 2026 to reflect national and international developments as well as stakeholder expectations. In addition, 11 different policies, including the newly published Nature and Biodiversity Policy, developed and implemented across environmental, social, and governance focus areas, provide further details on TSKB's sustainability management principles. Among these complementary policies, the Environmental and Social Risk and Impact Management Policy includes Exclusion List in line with responsible banking principles. Sustainability, which is a key component of TSKB's strategy, is incorporated in the strategic plan of the reporting period, with a focus on sustainable development, combating climate change, and adaptation themes, alongside national and international developments such as the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS).

References

Integrated Annual Report | Sustainability Governance

Principle 2: Impact & Target Setting

TSKB has conducted impact analysis studies using the updated Portfolio Impact Analysis Tool for Banks, based on the 2023 year-end portfolio. The tool was applied to Corporate Banking (Corporate Banking and Project Finance), which constitutes 67.4% of total assets as of the end of 2023, one of the bank's three main activities. According to the analysis results, areas where positive impacts were made include Climate Stability and Healthy Economies, while Circular Economy was identified as an area with negative impact.

Healthy Economies & Climate Stability *

- SDG-linked Loan Ratio: 92%
 - Realization Rate of the USD 10 billion SDG-linked Loan Disbursement Target: 70%
- As of 2026, the target has been increased to USD 15 billion.

Climate Stability*

- SDG-linked Loan Ratio Focused on Climate and Environment: 59%
 - Realization Rate of the USD 4 billion Climate and Environment-focused SDG-linked Loan Disbursement Target: 43%
- As of 2026, the target has been increased to USD 5 billion.

Healthy Economies*

- Targets set for Earthquake Recovery Financing, SDG financing with a focus on social development, and women's employment have been achieved. As of 2026, the Bank has set a new target and announced that it aims to provide USD 3 billion in social financing by 2030.

Circular Economy

- In the upcoming period, TSKB aims to analyze its clients' circular practices and identify areas for improvement by implementing the Circular Economy Self-Assessment Tool.

** The targets under the relevant areas will continue to be monitored under the UN PRB framework in the upcoming period.*

References

Integrated Annual Report | Financial Capital

Principle 3: Clients & Customers

In 2025, TSKB increased its SDG-linked loan ratio to 92% through the financing of inclusive and strategic development areas such as climate and earthquake financing, renewable energy, energy and resource efficiency, capacity expansion in the manufacturing sector, and new technology investments, as well as promoting women's employment.

In 2025, TSKB added Adaptation and Youth Employment to its thematic focus areas. Using the internally developed AdapTool, the Bank conducts quantitative and qualitative analyses of clients' exposure to physical climate risks, their adaptation capacities, and corporate awareness. Through the youth employment assessment tool, clients' policies and practices regarding youth inclusion—including recruitment, career development, training, and communication—are evaluated in terms of their current status and commitments. By leveraging the assessment tools developed across multiple themes to date, the Bank continues to enhance the effectiveness of thematic financing while remaining a key partner in its clients' transformation journeys.

- 70% of the target for SDG-linked loan disbursement, amounting to USD 10 billion by 2030, has been achieved. As of 2026, the target has been increased to USD 15 billion.
- The Bank aims to implement AdapTool for at least 100 clients by 2030 to assess their vulnerabilities to physical climate risks and their adaptation capacities.

References

Integrated Annual Report | Financial Capital

Principle 4: Stakeholders

In 2024, TSKB updated its materiality analysis with the participation of internal and external stakeholders. For the first time, a Stakeholder Workshop was held face-to-face based on the double materiality principle, during which a risk and opportunity impact analysis was conducted within the scope of priority issues.

The Bank, which plays an active role in many national and international initiatives, is focused on capacity development while also evaluating collaboration opportunities.

In close contact with relevant ministries and other public institutions, the Bank participated in discussions under the co-chair responsibility of the Turkish Banking Association Sustainability Working Group and engaged with stakeholders in the development of the National Taxonomy under the coordination of the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye.

References

Integrated Annual Report | Sustainability Governance

Principle 5: Governance & Culture

Compliance with the Principles of Responsible Banking is overseen by the Sustainability Committee within the Bank's sustainability structure. The committee members are selected based on their academic and professional qualifications, enabling them to develop and supervise strategies for managing sustainability-related risks and opportunities, with a particular focus on climate. During the reporting period, the committee carried out review, auditing, and approval activities concerning policy revisions, long-term targets, commitments, and recorded performance, under the Integrated Annual Report.

- Sustainability-related targets constitute 46% of the total targets set for the entire Bank, including senior management.

References

Integrated Annual Report | Sustainability Governance

Principle 6: Transparency & Accountability

Since 2018, TSKB has published its Integrated Annual Report, which in 2024 was prepared in full compliance with the Türkiye Sustainability Reporting Standards (TSRS), which were enacted for the first time with the adoption of the IFRS S1 and S2 Standards issued by the ISSB. As in the previous year, the Bank has continued to publish its report within this framework, and in addition to the independent limited assurance obtained under the TSRS, limited assurance was also obtained for the target achievements and KPIs reported under different capital elements.

In its CDP reporting, which TSKB has published since 2013, the Bank has qualified for the Global A List in the Climate Change and Water Security modules. For the first time last year, the Bank completed the Forest module from Türkiye and maintained its B rating in this module in 2025.

References

Integrated Annual Report | Compliance Opinions CDP Report

GRI CONTENT INDEX

Statement of Use	Türkiye Sınai Kalkınma Bankası A.Ş. has reported the information cited in this GRI content index for the period 1 January 2025- 31 December 2025 in accordance with the GRI Standards.	
GRI 1 Used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate Profile; Contact
	2-2 Entities included in the organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report; Contact
	2-4 Restatements of information	There is no restated information.
	2-5 External assurance	About the Report; Independent Auditor's Report and Limited Assurance Report
	2-6 Activities, value chain and other business relationships	About the Report; Value Creation Model
	2-7 Employees	Corporate Profile; Human Capital
	2-8 Workers who are not employees	Corporate Profile
	2-9 Governance structure and composition	Governance Model
	2-10 Nomination and selection of the highest governance body	Governance Model, Corporate Governance Compliance Report
	2-11 Chair of the highest governance body	Governance Model
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Model
	2-13 Delegation of responsibility for managing impacts	Governance Model
	2-14 Role of the highest governance body in sustainability reporting	Governance Model
	2-15 Conflicts of interest	Corporate Governance Compliance Report
	2-16 Communication of critical concerns	Stakeholder Engagement
	2-17 Collective knowledge of the highest governance body	Governance Model
	2-18 Evaluation of the performance of the highest governance body	Governance Model, Corporate Governance Compliance Report
	2-19 Remuneration policies	Governance Model, Human Capital, Corporate Governance Compliance Report
	2-20 Process to determine remuneration	Human Capital, Corporate Governance Compliance Report
	2-21 Annual total compensation ratio	Corporate Governance Compliance Report
	2-22 Statement on sustainable development strategy	Strategic Plan, External Factors, Financial Capital, Natural Capital
	2-23 Policy commitments	Governance Model, TSKB's Signed Declarations and Principles https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainability-policy
	2-24 Embedding policy commitments	Governance Model
	2-25 Processes to remediate negative impacts	Strategy, Performance and Insights, Governance Model, Natural Capital
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement and Double Materiality Analysis
	2-27 Compliance with laws and regulations	Governance Model
	2-28 Membership associations	Governance Model
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Double Materiality Analysis
	2-30 Collective bargaining agreements	TSKB accepts the principles of international conventions to which our country is a party and accepted, such as the Universal Declaration of Human Rights, the International Labor Organization (ILO) Basic Principles and Rights at Work, the UN Sustainable Development Goals and the United Nations Convention against Corruption, and all activities are based on human rights, in accordance with basic principles such as labor rights and social justice. As of the end of 2025, there is no Collective Bargaining Agreement at TSKB.

Statement of Use	Türkiye Sınai Kalkınma Bankası A.Ş. has reported the information cited in this GRI content index for the period 1 January 2025- 31 December 2025 in accordance with the GRI Standards.	
GRI 1 Used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Governance Model, Stakeholder Engagement and Double Materiality Analysis
	3-2 List of material topics	Governance Model, Stakeholder Engagement and Double Materiality Analysis
Sustainable Financial Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Creation Model, Key Financial Performance Indicators and Ratios, Message from the Chairperson, Message from the CEO, Stakeholder Engagement and Double Materiality Analysis, Financial Capital, Natural Capital, Social Capital, Human Capital
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Value Creation Model, Key Financial Performance Indicators and Ratios, Financial Capital
	201-3 Defined benefit plan obligations and other retirement plans	Unconsolidated Statements and Independent Audit Report, Consolidated Statements and Independent Audit Report
	201-4 Financial assistance received from government	No financial aid has been received from the government during the reporting period.
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	At TSKB, the standard starting level wages of all employees are above the local minimum wage. Natural Capital
	202-2 Proportion of senior management hired from the local community	All members of TSKB Senior Management are Turkish citizens. Board of Directors, Senior Management, Directors
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Financial Capital, Natural Capital
	203-2 Significant indirect economic impacts	Value Creation Model, Financial Capital, Natural Capital, Intellectual and Manufactured Capital
Ethics, Legal Compliance, and Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Corporate Governance Compliance Report https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-anti-bribery-and-anti-corruption-policy
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	TSKB Anti-Bribery and Anti-Corruption Policy: https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-antibribery-and-anti-corruption-policy
Competitive Behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Corporate Governance Compliance Report
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance Compliance Report, Other Major Updates on Corporate Operations
Management of Climate Risks and Opportunities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Natural Capital
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital
	302-1 Energy consumption within the organization	Natural Capital
GRI 302: Energy 2016	302-3 Energy intensity	Natural Capital
	302-4 Reduction of energy consumption	Natural Capital
GRI 303: Water and Effluents 2018	303-5 Water consumption	Natural Capital
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital
	305-5 Reduction of GHG emissions	Natural Capital
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Natural Capital

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
Responsible Procurement and Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Capital https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainableprocurements-management-policy
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social Capital https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainableprocurements-management-policy
Competent Human Capital		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Human Capital
	401-1 New employee hires and employee turnover	Human Capital
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital All employees at TSKB are full-time employees.
	401-3 Parental leave	Human Capital
Employee Engagement and Employee/Human Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Human Capital https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskboccupational-health-and-safety-policy
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital TSKB ensures full compliance with its ISO 45001 Occupational Health and Safety Management System standards. https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskboccupational-health-and-safety-policy
	403-2 Hazard identification, risk assessment, and incident investigation	There were no injuries, accidents, occupational diseases and work-related deaths during the reporting period.
	403-3 Occupational health services	Due to the nature of TSKB's activities, there is no risk of work accident or occupational disease.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital
Inclusiveness, Equal Opportunity, and Diversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Human Capital https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-humanrights-policy
	405-1 Diversity of governance bodies and employees	Human Capital, Board of Directors, Senior Management
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Human Capital At TSKB, there is no gender-based discrimination for employee wages. As of the end of 2025, the gender wage gap is 0.06.
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	TSKB respects the rights of association and collective bargaining. During the reporting period, to the knowledge of TSKB, there was no violation of union rights by any supplier.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	TSKB does not employ child labor under any circumstances. TSKB expects its suppliers to comply with the age provisions specified in the relevant laws and regulations.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	At TSKB, there are no activities determined to pose a significant risk in terms of forced or involuntary labor. TSKB expects its suppliers not to employ forced labor under any circumstances. https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainableprocurements-management-policy

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
Cyber Security and Data Protection		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Intellectual and Manufactured Capital https://www.tskb.com.tr/en/investor-relations/corporate-governance
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no complaints about breach of customer privacy and loss of customer data.
Digital Transformation and Agility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Intellectual and Manufactured Capital
Environmental and Social Impact Monitoring and Reporting		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Natural Capital, Social Capital
Effective Risk Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Risk Management Policies
Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Intellectual and Manufactured Capital
Customer Experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Intellectual and Manufactured Capital https://www.tskb.com.tr/en/investor-relations/corporate-governance
Stakeholder Capitalism and International Cooperation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Governance Model, WEF Stakeholder Capitalism Index
Supporting the UN SDGs		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis
Corporate Social Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Social Capital

UNGC AND WEPs INDICES

UN Global Compact 10 Principles		
Area	Principle	Relevant Section
Human Rights	Principle 1	Social Capital Human Capital
	Principle 2	
Labour	Principle 3	
	Principle 4	
	Principle 5	
	Principle 6	
Environment	Principle 7	Financial Capital Natural Capital
	Principle 8	
	Principle 9	
Anti-Corruption	Principle 10	Corporate Governance and Risk Management

Women's Empowerment Principles (WEPs)**Principle****Relevant Section**

Principle 1

Principle 2

Principle 3

Principle 4

Principle 5

Principle 6

Principle 7

Governance
Social Capital
Human Capital

WEF STAKEHOLDER CAPITALISM INDEX*

	Topics	Core Metrics and Disclosures	Relevant Disclosures
People	Dignity and Equality	Diversity and Inclusion	Social Capital Human Capital
		Pay Equality	Human Capital
		Wage Level	Human Capital
		Risk for Incidents of Child, Forced or Compulsory Labour	TSKB operates in accordance with Turkish laws. Therefore, there is no risk of child labor, forced labor, or compulsory labor.
		Discrimination and Harassment	Social Capital Human Capital
		Freedom of Association and Collective Bargaining at Risk	Human Capital
		Human Rights Review, Grievance Impact and Modern Slavery	Social Capital Human Capital
	Health & Wellbeing	Pay Gap	Human Capital
		Health and Safety	Human Capital
		Well-Being	Human Capital
		Monetized Impacts of Work-related Incidents on Organization	Human Capital
	Skills for the Future	Training Provided	Sustainability Governance Human Capital
		Monetized Impacts of Training	Human Capital
Planet	Air Pollution	Air Pollution	Natural Capital
		Impact of Air Pollution	Natural Capital
	Climate Change	Greenhouse Gas (GHG) Emissions	Natural Capital
		TCFD Implementation	Natural Capital
		Paris-Aligned GHG Emissions Targets	Natural Capital
		Impact of Greenhouse Gas Emissions	Natural Capital
	Fresh Water Availability	Water Consumption and Withdrawal in Water-Stressed Areas	Natural Capital
		Impact of Freshwater Consumption and Withdrawal	Natural Capital
	Nature Loss	Land Use and Ecological Sensitivity	Financial Capital Natural Capital
		Impact of Land Use and Conversion	Natural Capital
	Resource Availability	Resource Circularity	Natural Capital
	Solid Waste	Single Use Plastics	Natural Capital
		Impact of Solid Waste Disposal	Natural Capital
	Water Pollution	Impact of Water Pollution	Natural Capital

	Topics	Core Metrics and Disclosures	Relevant Disclosures
Prosperity	Community and Social Vitality	Total Tax Paid	Financial Statements and Footnotes
		Additional Tax Remitted	Financial Statements and Footnotes
		Total Social Investment	Social Capital Financial Statements and Footnotes
	Employment and Wealth Generation	Absolute Number and Rate of Employment	Human Capital
		Economic Contribution	Financial Capital Social Capital Human Capital
			Financial Capital Natural Capital Social Capital Financial Statements and Footnotes
			Financial Capital Natural Capital Social Capital Financial Statements and Footnotes
		Infrastructure Investments and Services Supported	Financial Capital Natural Capital Social Capital Financial Statements and Footnotes
	Innovation in Better Products and Services	Total R&D expenses	Intellectual and Manufactured Capital Financial Statements and Footnotes
		Social Value Generated	Intellectual and Manufactured Capital Social Capital
Governance	Wealth Creation and Employment	Financial Investment Contribution Disclosure	Financial Capital
	Ethical Behaviour	Anti-Corruption	Governance Model Human Capital Corporate Governance Compliance Report
		Protected Ethics Advice and Reporting Mechanisms	Social Capital Human Capital Corporate Governance Compliance Report
		Stakeholder Engagement	Governance Model
		Financial Losses from Ethical Violations	Governance Model Corporate Governance Compliance Report
	Governing Purpose	Setting Purpose	Governance Model
		Purpose-Led Management	Governance Model
		Governance Body Composition	Governance Model
	Quality of Governing Body	Remuneration	Governance Model Human Capital Corporate Governance
		Progress Against Strategic Milestones	Strategy, Performance and Insights
	Risk and Opportunity Oversight	Integrating Risk and Opportunity into Business Process	Financial Capital Risk Management Policies
		Economic, Environmental, and Social Topics in Capital Allocation Framework	Financial Capital Natural Capital Social Capital Risk Management Policies
	Stakeholder Engagement	Material Issues Impacting Stakeholders	Governance Model Stakeholder Engagement and Materiality Analysis

* In addition to the 21 core metrics in the index, expanded metrics that are reported are also included in the table.

Türkiye Sınai Kalkınma Bankası Anonim Şirketi

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



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

To the General Assembly of Türkiye Sınai Kalkınma Bankası Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Qualified Opinion

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

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

2. Basis for Qualified Opinion

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

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.



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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

Address: Meclis-i Mebusan Cad. No: 81 Fındıklı/Istanbul
Telephone: (212) 334 51 77
Fax: (212) 334 52 34
Website: www.tskb.com.tr
E-mail: ir@tskb.com.tr

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

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

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

February 3, 2026

Hakan ARAN
Chairman of Board
Members

Ozan UYAR
Member of Board of
Directors and General
Manager

Tolga SERT
Executive Vice President
in Charge of Financial
Reporting

Dilek PEKCAN MİŞE
Head of Financial Control

Ece BÖRÜ
Chairman of Audit Committee

Banu ALTUN
Member of Audit Committee

B. Other Responsibilities Arising From Regulatory Requirements

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

Additional Paragraph for Convenience Translation

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

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

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 3 February 2026

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

Name-Surname / Title : Can Ülkü / Head of Financial Institutions and Investor Relations Department
Telephone Number : (212) 334 51 77

INDEX		Page Number
	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 shareholder's equity between the Bank and its subsidiaries or the reimbursement of liabilities	3
VII.	Written policies of the Bank related to compliance with publicly disclosed obligations of the Bank and assessment of accuracy, frequency, and compliance of mentioned disclosures	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
VII.	Unconsolidated statement of profit distribution	12
	SECTION THREE	
	Accounting Policies	
I.	Basis of presentation	13
II.	Explanations on usage strategy of financial assets and foreign currency transactions	14
III.	Explanations on forward and option contracts and derivative instruments	16
IV.	Explanations on associates and subsidiaries	16
V.	Explanations on interest income and expenses	17
VI.	Explanations on fees and commission income and expenses	17
VII.	Explanations on financial assets	17
VIII.	Explanations on impairment of financial assets	21
IX.	Statements regarding netting of financial instruments	23
X.	Explanations on sales and repurchase agreements and lending of securities	23
XI.	Explanations on assets held for sale and discontinued operations	24
XII.	Explanations on goodwill and other intangible assets	24
XIII.	Explanations on tangible assets	25
XIV.	Explanations on leasing transactions	26
XV.	Explanations on provisions and contingent liabilities	27
XVI.	Explanations on liabilities regarding employee benefits	27
XVII.	Explanations on taxation	29
XVIII.	Additional explanations on borrowings	32
XIX.	Explanations on share certificates issued	32
XX.	Explanations on acceptances	32
XXI.	Explanations on government incentives	33
XXII.	Explanations on segment reporting	33
	SECTION FOUR	
	Information on Financial Structure and Risk Management	
I.	Explanations related to shareholders' equity	34
II.	Explanations related to credit risk	39
III.	Explanations related to currency risk	52
IV.	Explanations related to interest rate risk	54
V.	Explanations related to equity shares position risk arising from the banking book	59
VI.	Explanations on liquidity risk management, liquidity coverage ratio and net stable funding ratio	61
VII.	Explanations related to leverage ratio	71
VIII.	Explanations related to presentation of financial assets and liabilities at fair value	72
IX.	Explanations related to transactions made on behalf of others and fiduciary transactions	74
X.	Explanations related to risk management	75
	SECTION FIVE	
	Explanations and Disclosures on Unconsolidated Financial Statements	
I.	Explanations and disclosures related to the assets	98
II.	Explanations and disclosures related to the liabilities	125
III.	Explanations and disclosures related to the off-balance sheet items	133
IV.	Explanations and disclosures related to the income statement	137
V.	Explanations and disclosures related to the statement of changes in shareholders' equity	142
VI.	Explanations related to the statement of cash flows	143
VII.	Explanations on the risk group of the Bank	145
VIII.	Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Bank	146
	SECTION SIX	
	Other Explanations	
I.	Other explanations related to operations of the Bank	147
II.	Other explanations related to the events after the reporting date	148
	SECTION SEVEN	
	Auditors' Report	
I.	Explanations on the auditors' report	148
II.	Explanations and notes prepared by independent auditors	148

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

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

The Chairman and The Members of Board of Directors:

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

General Manager and Vice Presidents

Name Surname	Title/Area of Responsibility
Ozan Uyar (2)	General Manager
Meral Murathan	Executive Vice President – Treasury, Financial Institutions and Investor Relations, Development Finance Institutions Relations, Development Finance Institutions, Climate Change and Sustainability Management
Hasan Hepkaya	Executive Vice President – Corporate Banking Sales, Project Finance, Corporate Banking Marketing, Credit Operations
Özlem Bağdatlı	Executive Vice President – Human Resources, Retirement and Supplementary Foundations, Corporate communication
Bilinç Tanağardı	Executive Vice President – Application Development, System Support and Operation, Enterprise Architecture and Process Management 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 Allocation, Loan Structuring and Analysis, Engineering
Tolga Sert	Executive Vice President – Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control

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

(2) Mr. Murat Bilgiç retired from his position as of July 31, 2025, and following the necessary legal applications and permits, Mr. Ozan Uyar assumed the position of General Manager.

(3) Our Bank's Board Member Mrs. İzlem Erdem, resigned from his position on August 29, 2025. Mr. Murat Bilgiç has been elected to the vacant Board of Directors position in accordance with Article 363 of the Turkish Commercial Code.

(4) At the meeting of our Bank's Board of Directors on August 29, 2025, Ms. Ece Börü was elected to the Audit Committee.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

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

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

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

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

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

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

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

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



TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

ASSETS	Section 5 Note I	Current Period 31 December 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (NET)		32,690,850	22,750,872	55,441,722	16,462,594	18,808,018	35,270,612
I.1 Cash and Cash Equivalents		9,817,522	14,135,760	23,953,282	1,927,260	10,549,148	12,476,408
I.1.1 Cash and Balances with Central Bank	(1)	474	5,702,663	5,703,137	772	2,879,653	2,880,425
I.1.2 Banks	(3)	2,530	8,439,386	8,441,916	3,006	7,672,856	7,675,862
I.1.3 Money Market Placements		9,815,458	-	9,815,458	1,923,891	-	1,923,891
I.1.4 Expected Credit Losses (-)		940	6,289	7,229	409	3,361	3,770
I.2 Financial Assets at Fair Value Through Profit or Loss	(2)	2,889,495	-	2,889,495	1,383,876	-	1,383,876
I.2.1 Government Debt Securities		-	-	-	-	-	-
I.2.2 Equity Instruments		-	-	-	-	-	-
I.2.3 Other Financial Assets		2,889,495	-	2,889,495	1,383,876	-	1,383,876
I.3 Financial Assets at Fair Value Through Other Comprehensive Income	(4)	19,003,698	7,707,771	26,711,469	12,455,502	5,897,387	18,352,889
I.3.1 Government Debt Securities		18,295,242	6,495,688	24,790,930	11,611,019	5,005,611	16,616,630
I.3.2 Equity Instruments		300,921	1,212,083	1,513,004	198,090	891,776	1,089,866
I.3.3 Other Financial Assets		407,535	-	407,535	646,393	-	646,393
I.4 Derivative Financial Assets	(2)	980,135	907,341	1,887,476	695,956	2,361,483	3,057,439
I.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		980,135	907,341	1,887,476	695,956	2,361,483	3,057,439
I.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		21,110,416	231,536,063	252,646,479	20,799,277	161,790,627	182,589,904
II.1 Loans	(5)	15,564,726	219,166,282	234,731,008	14,383,721	151,616,350	166,000,071
II.1.1 Loans	(10)	-	1,148,738	1,148,738	-	417,553	417,553
II.2 Factoring Receivables	(6)	9,864,686	17,515,762	27,380,448	9,949,963	14,269,752	24,219,715
II.2.1 Government Debt Securities		9,864,686	17,515,762	27,380,448	9,949,963	14,269,752	24,219,715
II.2.2 Other Financial Assets		-	-	-	-	-	-
II.5 Expected Credit Losses (-)		4,318,996	6,294,719	10,613,715	3,534,407	4,513,028	8,047,435
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	(16)	-	-	-	-	-	-
III.1 Held for Sale Purpose		-	-	-	-	-	-
III.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		12,793,203	-	12,793,203	9,420,766	-	9,420,766
IV.1 Investments in Associates (Net)	(7)	5,508,367	-	5,508,367	4,201,492	-	4,201,492
IV.1.1 Accounted Under Equity Method		5,508,367	-	5,508,367	4,201,492	-	4,201,492
IV.1.2 Unconsolidated Associates		-	-	-	-	-	-
IV.2 Subsidiaries (Net)	(8)	7,284,836	-	7,284,836	5,219,274	-	5,219,274
IV.2.1 Unconsolidated Financial Subsidiaries		7,112,628	-	7,112,628	5,085,830	-	5,085,830
IV.2.2 Unconsolidated Non-Financial Subsidiaries		172,208	-	172,208	133,444	-	133,444
IV.3 Entities under Common Control (Joint Venture) (Net)	(9)	-	-	-	-	-	-
IV.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
IV.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(12)	697,226	-	697,226	572,644	-	572,644
VI. INTANGIBLE ASSETS (Net)	(13)	21,008	-	21,008	5,985	-	5,985
VI.1 Goodwill		-	-	-	-	-	-
VI.2 Other		21,008	-	21,008	5,985	-	5,985
VII. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET	(15)	597,415	-	597,415	265,107	-	265,107
IX. DEFERRED TAX ASSET	(17)	4,172,250	287,546	4,459,796	3,009,859	125,480	3,135,339
X. OTHER ASSETS (Net)		-	-	-	-	-	-
TOTAL ASSETS		72,082,368	254,574,481	326,656,849	50,536,232	180,724,125	231,260,357

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

LIABILITIES AND EQUITY	Section 5 Note II	Current Period 31 December 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(3)	2,726,682	190,891,683	193,618,365	19,000	123,981,589	124,000,589
III. MONEY MARKET BALANCES		990,467	5,042,268	6,032,735	1,961,247	1,319,277	3,280,524
IV. MARKETABLE SECURITIES ISSUED (Net)	(3)	-	60,593,749	60,593,749	-	51,561,928	51,561,928
IV.1 Bills		-	-	-	-	-	-
IV.2 Assets Backed Securities		-	-	-	-	-	-
IV.3 Bonds		-	60,593,749	60,593,749	-	51,561,928	51,561,928
V. BORROWER FUNDS	32,001	978,219	1,010,220	30,945	652,954	683,899	683,899
V.1 Borrower Funds		32,001	978,219	1,010,220	30,945	652,954	683,899
V.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	344,913	1,317,006	1,661,919	160,787	1,137,479	1,298,266
VII.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		344,913	1,317,006	1,661,919	160,787	1,137,479	1,298,266
VII.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(5)	193,676	-	193,676	247,755	-	247,755
X. PROVISIONS	(7)	1,470,948	140,896	1,611,844	2,285,225	84,762	2,369,987
X.1 Restructuring Provisions		-	-	-	-	-	-
X.2 Reverse for Employee Benefits		168,800	-	168,800	102,417	-	102,417
X.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
X.4 Other Provisions		1,302,148	140,896	1,443,044	2,182,808	84,762	2,267,570
XI. CURRENT TAX LIABILITY	(8)	344,529	-	344,529	368,765	-	368,765
XII. DEFERRED TAX LIABILITY	(8)	-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(9)	-	-	-	-	-	-
XIII.1 Held for Sale Purpose		-	-	-	-	-	-
XIII.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(10)	-	13,142,591	13,142,591	-	10,800,864	10,800,864
XIV.1 Loans		-	-	-	-	-	-
XIV.2 Other Debt Instruments		-	13,142,591	13,142,591	-	10,800,864	10,800,864
XV. OTHER LIABILITIES	(4)	900,674	1,895,604	2,796,278	573,985	3,595,006	4,168,991
XVI. SHAREHOLDERS' EQUITY		45,151,632	499,311	45,650,943	32,281,656	197,133	32,478,789
XVI.1 Paid-in capital	(11)	2,800,000	-	2,800,000	-	-	2,800,000
XVI.2 Capital Reserves		24,573	-	24,573	14,658	-	14,658
XVI.2.1 Share Premium		-	-	-	-	-	-
XVI.2.2 Share Cancellation Profits		-	-	-	-	-	-
XVI.2.3 Other Capital Reserves		24,573	-	24,573	14,658	-	14,658
XVI.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		-	-	-	-	-	-
XVI.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(11)	4,860,676	336,295	5,196,971	3,896,451	230,008	4,126,459
XVI.5 Profit Reserves		929,851	163,016	1,092,867	381,972	(32,875)	349,097
XVI.5.1 Legal Reserves	(11)	25,153,739	-	25,153,739	15,053,976	-	15,053,976
XVI.5.2 Status Reserves		645,497	-	645,497	645,497	-	645,497
XVI.5.3 Extraordinary Reserves		75,641	-	75,641	75,641	-	75,641
XVI.5.4 Other Profit Reserves	(11)	24,429,681	-	24,429,681	14,329,918	-	14,329,918
XVI.6 Profit Or Loss		2,920	-	2,920	2,920	-	2,920
XVI.6.1 Prior Years' Profit/Loss		11,382,793	-	11,382,793	10,134,599	-	10,134,599
XVI.6.2 Current Year Profit/Loss		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		52,155,522	274,501,327	326,656,849	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 31 December 2025

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

		Current Period 31 December 2025			Prior Period 31 December 2024			
		Section 5 Note III	TL	FC	Total	TL	FC	Total
OFF BALANCE SHEET								
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)								
I. GUARANTEES AND COLLATERALS		(1)	31,973,905	287,817,181	328,791,886	23,449,585	195,616,999	219,466,584
1.1	Letters of Guarantee		1,467,661	2,635,256	34,102,917	3,398,423	18,244,917	21,995,340
1.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		1,467,661	13,519,330	14,986,991	2,818,372	5,808,518	8,626,890
1.2	Bank Acceptances		-	546,172	546,172	-	131,339	131,339
1.2.1	Import Letter of Acceptance		-	546,172	546,172	-	131,339	131,339
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		-	18,569,754	18,569,754	532,051	12,305,060	12,837,111
1.3.1	Documentary Letters of Credit		-	18,569,754	18,569,754	532,051	12,305,060	12,837,111
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issued Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS		(1)	4,924,453	23,212,729	28,138,182	2,806,810	8,648,292	11,454,382
2.1	Irrevocable Commitments		2,443,458	3,180,878	5,624,336	1,218,654	640,755	1,859,409
2.1.1	Forward Asset Purchase and Sale Commitments		1,889,591	2,939,927	4,829,518	399,727	455,574	848,301
2.1.2	Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		-	152,834	152,834	-	142,284	142,284
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		-	-	-	-	-	-
2.2	Revocable Commitments		553,807	89,817	643,624	828,927	39,997	868,824
2.2.1	Revocable Loan Granting Commitments		2,480,995	20,032,851	22,513,846	1,587,356	8,007,537	9,594,893
2.2.2	Other Revocable Commitments		2,480,995	20,032,851	22,513,846	1,587,356	8,007,537	9,594,893
III. DERIVATIVE FINANCIAL INSTRUMENTS		(2)	26,581,791	231,968,196	258,549,987	17,259,872	168,122,790	185,416,862
3.1	Derivative Financial Instruments for Hedging Purposes		-	89,529,622	89,529,622	-	69,298,701	69,298,701
3.1.1	Fair Value Hedge		-	89,529,622	89,529,622	-	69,298,701	69,298,701
3.1.2	Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2	Held for Trading Transactions		26,581,791	142,438,574	169,020,365	17,259,872	98,825,089	116,118,161
3.2.1	Forward Foreign Currency Buy/Sell Transactions		4,455,063	18,107,875	22,562,938	386,659	524,487	911,146
3.2.1.1	Forward Foreign Currency Transactions-Buy		2,228,669	9,057,101	11,295,770	284,265	18,357	451,632
3.2.1.2	Forward Foreign Currency Transactions-Sell		2,226,394	9,050,774	11,307,168	118,364	341,130	459,494
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		21,500,076	123,331,745	144,837,821	16,906,413	98,261,432	115,167,845
3.2.2.1	Foreign Currency Swap-Buy		989	49,160,129	49,701,118	853,937	29,863,562	29,817,499
3.2.2.2	Foreign Currency Swap-Sell		18,101,613	30,712,422	48,814,083	11,767,384	17,124,992	28,992,376
3.2.2.3	Interest Rate Swap-Buy		1,698,713	21,728,097	23,426,810	2,142,556	26,086,429	28,228,985
3.2.2.4	Interest Rate Swap-Sell		1,698,713	21,728,097	23,426,810	2,142,556	26,086,429	28,228,985
3.2.3	Foreign Currency, Interest Rate, and Securities Options		626,652	992,954	1,619,606	-	39,170	39,170
3.2.3.1	Foreign Currency Options-Buy		313,326	496,477	809,803	-	19,585	19,585
3.2.3.2	Foreign Currency Options-Sell		313,326	496,477	809,803	-	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. CUSTODY AND PLEDGES SECURITIES (IV+V+VI)			653,835,489	3,915,289,868	4,569,044,477	445,422,551	2,808,962,189	3,246,384,740
IV. ITEMS HELD IN CUSTODY			276,764	6,429,975	6,706,739	728,297	2,736,125	3,464,422
4.1	Customer Securities Held		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		9,564	6,429,975	6,439,539	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		261,203	-	261,203	684,249	-	684,249
V. PLEDGES ITEMS			637,289,088	3,441,911,646	3,779,206,714	429,586,976	2,269,183,864	2,698,728,842
5.1	Marketable Securities		456,249	-	456,249	456,249	-	456,249
5.2	Guarantees/Notes		15,457	2,994,336	2,919,793	194,627	2,370,696	2,565,323
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Real Estate		172,766,182	829,881,254	1,002,647,436	118,446,897	631,496,822	750,943,719
5.6	Other Pledged Items		464,051,200	2,369,326,076	2,773,377,276	310,484,203	1,635,775,541	1,945,759,751
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL OF EXCHANGE AND COLLATERALS			16,275,507	766,967,437	783,242,944	15,128,378	579,082,998	594,211,376
TOTAL OFF-BALANCE SHEET ITEMS (A+B)			686,809,314	4,283,026,249	4,889,835,563	468,872,856	2,995,979,188	3,464,851,244

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Profit or Loss For the Year Ended December 31, 2025

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

		Current Period 1 January 2025 – 31 December 2025	Prior Period 1 January 2024 – 31 December 2024	
STATEMENT OF PROFIT OR LOSS				
	Notes			
I.	INTEREST INCOME	(1)	34,912,512	28,643,380
1.1	Interest on Loans		20,735,598	16,852,968
1.2	Interest Received from Reserve Deposits		315	752
1.3	Interest Received from Banks		117,009	89,400
1.4	Interest Received from Money Market Placements		3,148,336	3,095,019
1.5	Interest Received from Marketable Securities Portfolio		10,549,411	8,410,118
1.5.1	Fair Value through Profit or Loss		56	4,333
1.5.2	Fair Value through other Comprehensive Income		6,427,458	3,332,865
1.5.3	Measured at Amortized Cost		4,121,897	5,072,920
1.6	Finance Lease Interest Income		46,069	45,584
1.7	Other Interest Income		315,774	149,539
II.	INTEREST EXPENSES (-)	(2)	17,842,158	13,538,443
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		9,282,657	7,912,088
2.3	Interest on Money Market Borrowings		3,382,290	1,719,453
2.4	Interest on Securities Issued		5,059,028	3,708,905
2.5	Leasing Interest Expense		55,176	93,008
2.6	Other Interest Expense		63,007	104,989
III.	NET INTEREST INCOME (I - II)		17,070,354	15,104,937
IV.	NET FEES AND COMMISSIONS INCOME / EXPENSES		426,440	513,873
4.1	Fees and Commissions Received		502,794	570,341
4.1.1	Non-cash Loans		288,078	204,190
4.1.2	Other		214,716	366,151
4.2	Fees and Commissions Paid (-)		76,354	56,468
4.2.1	Non-cash Loans		5,541	6,674
4.2.2	Other		70,813	49,794
V.	DIVIDEND INCOME	(3)	9,647	6,863
VI.	NET TRADING INCOME	(4)	(478,132)	(2,074,800)
6.1	Securities Trading Gains / (Losses)		618,776	134,632
6.2	Derivative Financial Instruments Gains / Losses		(12,528,863)	(1,447,083)
6.3	Foreign Exchange Gains / Losses (Net)		11,431,955	(762,349)
VII.	OTHER OPERATING INCOME	(5)	3,076,828	888,243
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		20,105,137	14,439,116
IX.	EXPECTED CREDIT LOSSES (-)	(6)	4,279,606	563,568
X.	OTHER PROVISION EXPENSES (-)	(6)	90,000	330,000
XI.	PERSONNEL EXPENSES (-)		2,486,875	1,523,043
XII.	OTHER OPERATING EXPENSES (-)	(7)	880,976	623,763
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		12,367,680	11,398,742
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV.	PROFIT / (LOSS) ON EQUITY METHOD		2,454,048	2,280,226
XVI.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+XIV+XV+XVI)		14,821,728	13,678,968
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (a)	(8)	3,438,935	3,544,369
18.1	Provision for Current Income Taxes		3,988,859	2,371,538
18.2	Deferred Tax Income Effect (+)		2,469,069	2,249,096
18.3	Deferred Tax Expense Effect (-)		3,018,993	1,076,265
XIX.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII+XVIII)	(9)	11,382,793	10,134,599
XX.	INCOME ON DISCONTINUED OPERATIONS		-	-
20.1	Income on Assets Held for Sale		-	-
20.2	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
20.3	Income on Other Discontinued Operations		-	-
XXI.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Loss from Assets Held for Sale		-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
21.3	Loss from Other Discontinued Operations		-	-
XXII.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX+XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (a)		-	-
23.1	Provision for Current Income Taxes		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)		-	-
XXV.	ET PROFIT/LOSS (XIX+XXIV)	(10)	11,382,793	10,134,599
Earnings / (loss) per share			4,065	3,619

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 the Year Ended December 31, 2025

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

1. Accumulated Revaluation Increase / Decrease of Fixed Assets

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

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

4. Foreign Currency Translation Differences

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

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

1. Accumulated Revaluation Increase / Decrease of Fixed Assets

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

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

4. Foreign Currency Translation Differences

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

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

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 Year Ended December 31, 2025

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

	Note	Current Period 31 December 2025	Prior Period 31 December 2024
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		4,052,267	11,667,916
1.1.1 Interest Received		28,101,985	28,111,707
1.1.2 Interest Paid		(15,071,855)	(12,711,975)
1.1.3 Dividends Received		63,592	41,019
1.1.4 Fees and Commissions Received		502,794	570,341
1.1.5 Other Income		2,022,484	632,411
1.1.6 Collections from Previously Written off Loans		1,803,268	348,638
1.1.7 Payments to Personnel and Service Suppliers		(2,706,590)	(1,540,873)
1.1.8 Taxes Paid		(5,142,947)	(2,381,222)
1.1.9 Others		(5,520,464)	(1,402,130)
1.2 Changes in Operating Assets and Liabilities		8,727,745	(21,265,490)
1.2.1 Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(895,675)	(997,000)
1.2.2 Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3 Net (Increase) (Decrease) in Loans		(20,404,716)	(18,565,459)
1.2.4 Net (Increase) (Decrease) in Other Assets		(4,173,550)	(2,490,811)
1.2.5 Net (Increase) (Decrease) in Bank Deposits		-	-
1.2.6 Net (Increase) (Decrease) in Other Deposits		-	-
1.2.7 Net (Increase) (Decrease) in Financial Liabilities at Fair Value through Profit or Loss		-	-
1.2.8 Net (Increase) (Decrease) in Funds Borrowed		31,485,272	(573,988)
1.2.9 Net (Increase) (Decrease) in Maturity Payable		-	-
1.2.10 Net (Increase) (Decrease) in Other Liabilities		2,716,414	1,361,768
I. Net Cash Provided by / (used in) Banking Operations		12,780,012	(9,597,574)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (used in) Investing Activities		(3,968,201)	(9,138,777)
2.1 Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		(200,000)	-
2.2 Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(70,795)	(18,600)
2.4 Disposals of Property and Equipment		17,075	581
2.5 Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(7,717,932)	(8,471,914)
2.6 Sale of Financial Assets at Fair Value through Other Comprehensive Income		2,352,170	1,843,538
2.7 Purchase of Financial Assets Measured at Amortized Cost		(33,357)	(3,194,001)
2.8 Sale of Financial Assets Measured at Amortized Cost		1,709,071	704,972
2.9 Others		(24,433)	(3,353)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided by / (used in) Financing Activities		(960,901)	15,796,931
3.1 Cash Obtained from Funds Borrowed and Securities Issued		14,838,951	26,829,047
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(15,602,998)	(10,916,103)
3.3 Capital Increase		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Leases		(196,854)	(116,013)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		611,431	386,160
V. Net Increase / (Decrease) in Cash and Cash Equivalents		8,462,341	(2,553,260)
VI. Cash and Cash Equivalents at Beginning of the Period		9,551,313	12,104,573
VII. Cash and Cash Equivalents at End of the Period		18,013,654	9,551,313

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Unconsolidated Statement of Profit Distribution For the Year Ended December 31, 2025

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

	Current Period December 31, 2025 (1)	Prior Period December 31, 2024 (4)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	14,821,728	13,678,968
1.2 TAXES AND DUTIES PAYABLE	3,438,935	3,544,369
1.2.1 Corporate Tax (Income tax)	3,988,859	2,371,538
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (3)	(549,924)	1,172,831
A. NET INCOME FOR THE YEAR (1.1-1.2)	11,382,793	10,134,599
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	1,309,915
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	11,382,793	8,824,684
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (pre-emptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (pre-emptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 GENERAL RESERVES	-	-
1.12 OTHER RESERVES	-	8,824,684
1.13 SPECIAL FUNDS	-	-
1.14	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of preferred shares	-	-
2.2.3 To owners of preferred shares (pre-emptive rights)	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
2.4	-	-
III. EARNINGS PER SHARE (2)		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	4.07	3.15
3.3 TO OWNERS OF PRIVILEGED SHARES	406.53	315.17
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
3.4	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
I. DISTRIBUTION OF CURRENT YEAR INCOME		

(1) Since the Board of Directors has not prepared any proposal for profit distribution relating to the year 2025 yet, only profit available for distribution for the year 2025 is presented.

(2) A nominal value of 1 penny figures a share in unconsolidated income statement and unconsolidated statement of profit distribution and earnings per share is calculated for a nominal value of 1 penny.

(3) The amount related to the current period is deferred tax income and the amount related to the previous period is deferred tax expense.

(4) The profit distribution table for the previous period became final with the decision of the Ordinary General Assembly dated March 24, 2025, after the publication of the independently audited financial statements dated December 31, 2024, and rearranged in this direction.

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

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

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

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

I. Basis of presentation (Continued)

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

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

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

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

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

Changes in accounting policies and disclosures

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

Additional paragraph for convenience translation into English:

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on forward and option contracts and derivative instruments

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

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

IV. Explanations on associates and subsidiaries

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

V. Explanations on interest income and expenses

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

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

VI. Explanations on fees and commission income and expenses

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

VII. Explanations on financial assets

Initial recognition of financial instruments

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

Initial measurement of financial instruments

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

Classification of financial instruments

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

Assessment of business model

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

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

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

Measurement categories of financial assets and liabilities

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

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

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

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate methods arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

"Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss" under shareholders' equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, have a quoted market price in an active market whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, and less provision for impairment.

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

c. Financial Assets Measured at Amortized Cost:

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

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

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

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

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

d. Loans:

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the “Effective Interest Rate (internal rate of return) Method”. Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

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

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

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

VIII. Explanations on impairment of financial assets

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on impairment of financial assets (Continued)

Calculation of expected credit losses

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

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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

1. Objective Default Definition: It means debt has passed more than 90 days. Current definition of default in the Bank and its consolidated financial subsidiaries is based on more than 90 days past due definition.
2. Subjective Default Definition: It means debt is considered unlikely to be paid. Whenever an obligor is considered unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on impairment of financial assets (Continued)

Calculation of expected credit losses (Continued)

Debt instruments measured at fair value through other comprehensive income

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

Significant increase in credit risk

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

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

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

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

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

IX. Statements regarding netting of financial instruments

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XI. Explanations on assets held for sale and discontinued operations

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

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

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

XII. Explanations on goodwill and other intangible assets

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIII. Explanations on tangible assets

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leasing transactions

TFRS 16 Leases

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

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

Right-of-use assets

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

The cost of right-of-use assets includes:

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

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

Lease Liabilities

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leasing transactions (Continued)

Lease Liabilities

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

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

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

Short-term leases and leases of low-value assets

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

XV. Explanations on provisions and contingent liabilities

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

Explanations on contingent assets

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

XVI. Explanations on liabilities regarding employee benefits

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on liabilities regarding employee benefits (Continued)

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

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

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

Present value for the liabilities of the transferees as of the transfer date would be calculated by a commission that involves representatives of Social Security Institution, Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, 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 January 1, 2008.

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on liabilities regarding employee benefits (Continued)

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

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

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

XVII. Explanations on taxation

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

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation (Continued)

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation (Continued)

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

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

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation (Continued)

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

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

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

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

Transfer pricing

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

XVIII. Additional explanations on borrowings

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

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

XIX. Explanations on share certificates issued

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

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

XX. Explanations on acceptances

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXI. Explanations on government incentives

The Bank does not use government incentives.

XXII. Explanations on segment reporting

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

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

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

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations related to shareholders' equity

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

	Current Period	Prior Period
CORE EQUITY TIER 1 CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	-	-
Reserves	25.153.739	15.053.976
Other comprehensive income according to TAS	6.777.309	4.906.986
Profit	11.382.793	10.134.599
Current Period Profit	11.382.793	10.134.599
Prior Period Profit	-	-
Bonus shares from associates, subsidiaries and joint ventures not accounted in current period's profit	-	-
Core Equity Tier 1 Capital Before Deductions	46.114.215	32.895.935
Deductions from Core Equity Tier 1 Capital		
Valuation adjustments calculated as per the 1 st clause of article 9. (i) of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	337.170	264.041
Leasehold improvements on operational leases	7.099	5.563
Goodwill (net of related tax liability)	-	-
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	21.008	5.985
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders' equity (Continued)

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders' equity (Continued)

Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	12.800.760	10.519.950
Total Tier I Capital (Tier I Capital=Core Equity Tier I Capital + Additional Tier I Capital)	57.341.578	42.027.859
TIER II CAPITAL		
Debt instruments and the related issuance premiums defined by the BRSA	-	-
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.627.572	1.837.994
Tier II Capital Before Deductions	2.627.572	1.837.994
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Common Equity Tier I capital (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.627.572	1.837.994
Total Capital (The sum of Tier I Capital and Tier II Capital)	59.969.150	43.865.853
Deductions from Total Capital		
Loans granted against the articles 50 and 51 of the banking law	-	-
Net book values of movables and immovables exceeding the limit defined in the article 57, clause 1 of the Banking law and the assets acquired against overdue receivables and held for sale but retained more than five years	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholder's equity (Continued)

CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	59.969.150	43.865.853
Total Risk Weighted Assets	233.461.444	163.286.711
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	19,08	19,30
Tier I Capital Adequacy Ratio (%)	24,56	25,74
Capital Adequacy Ratio (%)	25,69	26,86
BUFFERS		
Total buffer requirement	2,506	2,509
a. Capital conservation buffer requirement (%)	2,500	2,500
b. Bank specific counter-cyclical buffer requirement (%)	0,006	0,009
c. Systematic significant buffer (%)	-	-
The ratio of Additional Core Equity Tier I capital which will be calculated by the first paragraph of Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	14,58	14,80
Amounts below the Excess Limits as per the Deduction Principles		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% or less of the issued share capital	4.574.893	3.262.035
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	597.415	-
Limits Related to Provisions Considered in Tier II Calculation		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	6.554.465	4.964.758
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.627.572	1.837.994
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to Temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to Temporary Article 4	-	-

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

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders' equity (Continued)

Information on debt instruments to be included in the equity calculation

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

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

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

(1) Includes total risk amounts before the effect of credit risk mitigation.

(2) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

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

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Profile of significant exposures in major region

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Profile of significant exposures in major regions (Continued)

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

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

Risk profile by sectors or counterparties

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

	Risk Types (1)																		
	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and non-commercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	TL	FC	Total
Prior Period																			
Agriculture	-	-	-	-	-	-	62.775	-	-	-	16	-	-	-	-	340	356	62.775	63.131
Farming and Stockbreeding	-	-	-	-	-	-	62.775	-	-	-	16	-	-	-	-	-	16	62.775	62.791
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Manufacturing	-	-	-	-	-	-	95.088.338	-	1.521.544	149.195	2.685	-	-	-	-	185.000	10.568.864	86.377.898	96.946.762
Mining and Quarrying	-	-	-	-	-	-	1.338.065	-	-	-	-	-	-	-	-	-	2.292	1.335.773	1.338.065
Production	-	-	-	-	-	-	42.165.071	-	1.311.774	5.170	41	-	-	-	-	185.000	4.475.126	39.191.930	43.667.056
Electricity, Gas and Water	-	-	-	-	-	-	51.585.202	-	209.770	144.025	2.644	-	-	-	-	-	6.091.446	45.850.195	51.941.641
Construction	-	-	-	-	-	-	3.493.530	-	682.133	289.029	19	-	-	-	-	-	293.588	4.171.123	4.464.711
Services	2.870.125	-	46.445	106.747	-	9.191.760	30.060.908	-	995.322	19.480	-	-	-	1.397.348	9.194.601	1.595.541	16.190.397	39.287.880	55.478.277
Wholesale and Retail Trade	-	-	-	-	-	-	1.627.003	-	50.626	19.480	-	-	-	-	-	-	424.921	1.272.188	1.697.109
Accommodation and Dining	-	-	-	-	-	-	3.678.764	-	234.000	-	-	-	-	-	-	-	16.497	3.896.267	3.912.764
Transportation and Telecommunication	-	-	-	-	-	-	8.155.582	-	643.841	-	-	-	-	-	5.167	1.174.479	1.180.216	8.798.853	9.979.069
Financial Institutions	2.870.125	-	46.445	106.747	-	9.191.760	9.017.516	-	-	-	-	-	-	1.397.348	9.047.121	421.062	12.625.117	19.473.007	32.098.124
Real Estate and Rental Services	-	-	-	-	-	-	1.937.731	-	-	-	-	-	-	-	-	-	1.799.645	138.086	1.937.731
Professional Services	-	-	-	-	-	-	263.558	-	-	-	-	-	-	-	142.313	-	144.001	261.870	405.871
Educational Services	-	-	-	-	-	-	232.187	-	-	-	-	-	-	-	-	-	-	232.187	232.187
Health and Social Services	-	-	-	-	-	-	5.148.567	-	66.855	-	-	-	-	-	-	-	-	5.215.422	5.215.422
Others	36.117.655	-	2	-	-	-	3.285.738	-	-	-	-	-	-	-	-	527.893	22.540.599	17.390.689	39.931.288
Total	-	-	-	-	-	-	62.775	-	3.198.999	457.704	2.720	-	-	1.397.348	9.194.601	2.308.774	49.593.804	147.290.365	196.884.169

Risk profile by sectors or counterparties

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

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

Risk Types (1)	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Prior Period					
Exposures to sovereigns and their central banks	2.389.547	30.306	2.501.177	1.856.688	32.209.094
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	46.431	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	6.096.982	516.627	859.482	30.170	1.556.542
Exposures to corporates	2.995.116	5.809.825	8.892.438	7.832.088	106.298.417
Retail exposures	-	-	-	-	-
Exposures secured by property	72.748	2.845	14.822	99.381	3.009.203
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	-	-	-	-	2.087
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	218	883	1.161	3.335	2.380
Total	11.601.042	6.360.486	12.269.080	9.821.662	143.077.723

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Disclosures on credit risk

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

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

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

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

Exposures by risk weights

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Information of major sectors or type of counterparties

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Information of major sectors or type of counterparties (Continued)

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

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

Information related to value adjustments and loan loss provisions

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Exposures subject to countercyclical capital buffer

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk

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

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

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

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk (Continued)

Information on the Bank's foreign currency risk:

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

(1) Exchange rate differences arising from derivative transactions amounting to TL 129.333 is deducted from "Financial Assets at Fair Value Through Profit and Loss".

(2) Loans include TL 307.084 foreign currency indexed loans, TL 1.148.738 financial lease receivables, TL 1.344 non-performing loans, and TL (1.344) credit-impaired loans (stage III / specific provision). (6.287.561) TL 1. and 2. the stage includes the expected loss provision amounts (including foreign currency indexed loans).

(3) (12.180) TL includes the amount of Stage I expected loss provision.

(4) Derivative financial assets for hedging purposes have classified in line of derivative financial assets in financial statement. Derivative financial liabilities for hedging purposes are classified in line of derivative financial liabilities in financial statement. Foreign exchange difference accrual amounting to TL (204.000) related to "Hedging Derivative Financial Assets" have not been taken into consideration. The exchange rate difference discount of (467.014) TL has not been considered in the "Hedging Derivative Financial Liabilities" line.

(5) It does not include paid expenses in the amount of TL 31.664 and foreign currency purchase commitment accruals in the amount of TL 1.1.106. TL (51) includes the amount of expected credit loss provision at Stage I.

(6) Derivative financial transactions currency difference rebates amounting to TL (283.254) and foreign currency exchange commitments rebates amounting to TL 70 are not included in the "Other Liabilities" line.

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

(8) (6.289) TL includes the amount of Stage I expected loss provision.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk (Continued)

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

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

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

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

(1) Values expressed are before the tax effect.

(2) Effect on equity does not include effect on profit/loss.

IV. Explanations related to interest rate risk

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

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

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

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

(1) Amounts in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other foreign resources other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, to reconcile the total assets and liabilities on the balance sheet.

(2) Expected credit losses for stage 1 and stage 2 are shown on the other assets, non-interest bearing.

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

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

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

(1) Amounts in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other foreign resources other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, to reconcile the total assets and liabilities on the balance sheet.

(2) Expected credit losses for stage 1 and stage 2 are shown on the other assets, non-interest bearing.

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,00	3,00	-	-
Banks	1,91	3,82	-	36,75
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	39,66
Financial Assets at Fair Value Through Other Comprehensive Income	4,57	6,41	-	40,97
Loans	6,05	8,35	-	43,79
Financial Assets Measured at Amortized Cost	5,84	8,10	-	19,82
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,41	4,64	-	34,32
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	6,20	-	-
Borrower Funds	0,25	0,50	-	28,00
Funds Provided from Other Financial Institutions	3,57	5,27	-	33,02

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,50	3,50	-	-
Banks	-	4,51	-	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
Liabilities				
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) It also includes issued bonds that possess the characteristics of Tier 1 capital and are classified under capital-like debt instruments on the balance sheet.

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to equity shares position risk arising from the banking book

The Bank is exposed to equity price risk arising from its investments in companies traded on the Istanbul Stock Exchange ("BIST"). The Bank classifies its equity investments as both financial assets recognized at fair value in earnings/loss and financial assets recognized at fair value in other comprehensive income; net profit/loss is not affected as long as the equities not included in the Bank's portfolio of financial assets recognized at fair value in earnings/loss are not divested.

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

Current Period	Comparison	
Share Certificate Investments	Book Value	Share Certificate Investments
Investment in Shares-Grade A	4.211.073	-
Quoted	4.211.073	-
Investment in Shares-Grade B	5.463.928	-
Quoted	5.463.928	-

Prior Period	Comparison	
Share Certificate Investments	Book Value	Share Certificate Investments
Investment in Shares-Grade A	3.262.349	-
Quoted	3.262.349	-
Investment in Shares-Grade B	4.177.984	-
Quoted	4.177.984	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to equity shares position risk arising from the banking book (Continued)

On the basis of the following table, private equity investments in sufficiently diversified portfolios, type and amount of other risks, cumulative realized gains and losses arising from selling and liquidation in the current period, total unrealized gains and losses, total revaluation increases of trading positions on stock market and their amount that included to core capital and supplementary capital are shown.

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to liquidity risk management, liquidity coverage ratio and net stable funding ratio

1. Explanations related to the liquidity risk

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

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

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

1. Explanations related to the liquidity risk (Continued)

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

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

1.d Information on unconsolidated liquidity risk mitigation techniques

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

1.e Information on the use of stress tests

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

2. Liquidity Coverage Ratio

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

2. Liquidity Coverage Ratio (Continued)

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)(2)	Total (2)
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	5.703.137	-	-	-	-	-	5.703.137
Banks	1.055.280	7.386.636	-	-	-	-	-	8.441.916
Financial Assets at Fair Value Through Profit and Loss	-	1.274.811	38.588	557.850	16.227	-	2.889.495	4.776.971
Money Market Placements	-	5.748.232	3.231.935	835.291	-	-	-	9.815.458
Financial Assets at Fair Value Through Other Comprehensive Income	-	246.950	1.967.540	3.362.004	15.848.434	3.773.536	1.513.005	26.711.469
Loans	-	9.538.790	14.762.004	45.987.597	130.350.757	31.007.121	-	231.646.269
Financial Assets Measured at Amortized Cost	-	-	-	-	18.241.524	9.138.924	-	27.380.448
Other Assets (2)	-	-	-	-	-	-	12.181.181	12.181.181
Total Assets	1.055.280	29.898.556	20.000.067	50.742.742	164.456.942	43.919.581	16.583.681	326.656.849
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	6.747.644	4.619.286	26.398.777	70.352.727	85.499.931	-	193.618.365
Money Market Borrowings	-	3.568.019	2.464.716	-	-	-	-	6.032.735
Marketable Securities Issued (3)	-	17.211.079	341.830	818.764	55.364.667	-	-	73.736.340
Miscellaneous Payables	-	-	-	-	-	-	1.980.740	1.980.740
Other Liabilities	-	790.667	193.629	853.184	124.501	-	49.326.688	51.288.669
Total Liabilities	-	28.317.409	7.619.461	28.070.725	125.841.895	85.499.931	51.307.428	326.656.849
Liquidity Gap	1.055.280	1.581.147	12.380.606	22.672.017	38.615.047	(41.580.350)	(34.723.747)	-
Net Off-balance sheet Position	-	(267.707)	(160.743)	34.696	119.407	(12.026)	-	(286.573)
Financial Derivative Assets	-	37.246.835	11.513.268	15.355.354	59.978.816	5.037.534	-	129.131.807
Financial Derivative Liabilities	-	37.514.542	11.674.011	15.320.658	59.859.409	5.049.560	-	129.418.180
Non-cash Loans	-	250.383	686.673	11.151.382	5.775.742	13.272.366	2.966.371	34.102.917
Prior Period								
Total Assets	1.361.227	18.319.907	11.354.996	42.476.842	110.485.811	36.223.885	11.037.689	231.260.357
Total Liabilities	-	19.341.917	5.002.874	23.398.549	87.786.988	55.747.228	39.982.801	231.260.357
Liquidity Gap	1.361.227	(1.022.010)	6.352.122	19.078.293	22.698.823	(19.523.343)	(28.945.112)	-
Net Off-balance sheet Position	-	739.665	216.047	115.452	716.524	(6.886)	-	1.780.802
Financial Derivative Assets	-	28.639.066	7.606.176	14.631.450	37.904.292	4.817.848	-	93.598.832
Financial Derivative Liabilities	-	27.899.401	7.390.129	14.515.998	37.187.768	4.824.734	-	91.818.030
Non-cash Loans	-	803.618	3.927.079	7.341.596	2.175.410	6.263.934	1.083.703	21.595.340

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

Analysis of financial liabilities by remaining contractual maturities

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	592.872	3.475.712	27.058.141	59.324.006	73.596.491	(40.046.633)	124.000.589
Money Market Borrowings	3.285.151	460	-	-	-	(5.087)	3.280.524
Marketable Securities Issued	14.807.925	2.029.916	2.734.196	55.993.845	-	(13.203.090)	62.362.792
Funds	683.899	-	-	-	-	-	683.899
Leasing Liabilities	15.665	19.014	84.847	230.681	-	(102.452)	247.755
Total	19.385.512	5.525.102	29.877.184	115.548.532	73.596.491	(53.357.262)	190.575.559

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Swap Contracts	55.888.830	14.922.202	28.920.872	75.092.060	9.642.582	184.466.546
Forward Contracts	610.467	74.103	226.576	-	-	911.146
Futures Transactions	-	-	-	-	-	-
Options	39.170	-	-	-	-	39.170
Other	-	-	-	-	-	-
Total	56.538.467	14.996.305	29.147.448	75.092.060	9.642.582	185.416.862

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

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

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

4. Net stable funds ratio

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

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

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

Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board. The three-month simple arithmetic average of the net stable funding ratios for the last three months including the reporting period is calculated as 133.69%, and the three-month simple arithmetic average for the previous period is calculated as 127.00%.

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

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

4. Net stable funds ratio

Current Period	a	b	c	d	e
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Demand	Less than 6 Months Term	6 Months to More than 6 Months and Less than 1 Year Term	1 Year and Longer Term	
Total Amount Applied to Consideration Rate					
1 Equity Items	49,557.126	-	-	12,800.760	62,357.886
2 Core capital and supplementary capital	49,557.126	-	-	12,800.760	62,357.886
3 Other Equity Items	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Less stable deposits/participation fund	-	-	-	-	-
7 Debts to other persons	1,010.220	43,528.156	18,376.113	198,534.165	211,781.817
8 Operational deposit/participation fund	1,010.220	-	-	-	505.110
9 Other debts	-	43,528.156	18,376.113	198,534.165	211,276.707
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other liabilities	2,897.759	3,256.788	-	-	-
12 Derivative liabilities	-	-	-	842.705	-
13 Other equity items and liabilities Not included above	2,897.759	2,414.083	-	-	-
14 Current Stable Fund					274,139.703
Stable Fund Required					
15 High quality liquid assets	-	-	-	-	10,040.184
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	82,455	57,235.592	29,400.017	160,967.318	171,445.245
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	26,169.804	3,120.526	6,931.256	12,416.990
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	30,938.213	26,100.621	153,934.973	158,719.020
21 Receivables subject to a risk weight of 35% or less	-	-	-	3,225.622	2,096.654
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	82,455	127,575	178.870	101.089	309,235
25 Assets equivalent to interdependent liabilities	-	-	-	-	-
26 Other assets	22,860.662	2,322.244	-	-	25,085.439
27 Physically delivered commodities including gold	-	-	-	-	-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty	-	-	649.782	-	552.315
29 Derivative assets	-	-	47.430	-	47.430
30 Amount of derivative liabilities before deducting the variation margin	-	-	148.763	-	148.763
31 Other assets not listed above	22,860.662	1,476.269	-	-	24,336.931
32 Off-balance sheet liabilities	-	6,024.250	6,866.031	44,521.300	2,870.579
33 Stable Fund Required					209,441.447
34 Net Stable Funding Rate (%)					130.89

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V1. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)

4. Net stable funds ratio

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to leverage ratio

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

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

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

b) Leverage Ratio

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

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

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

(1) Loans include financial lease receivables.

(2) Funds provided from other financial institutions include loans received, additional subordinated loans classified under subordinated loans, detached funds and debts to money markets.

(3) The issued securities include bonds with additional subordinated capital credit characteristics, which are classified under subordinated capital credits.

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

(1) Financial lease receivables are also included in the loans granted.

(2) Funds obtained from other financial institutions include loans received, additional subordinated loans classified under subordinated loans, detached funds and debts to money markets.

(3) The issued securities include bonds with additional subordinated capital credit characteristics, which are classified under subordinated capital credits.

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

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

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

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

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

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

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

(1) Securities amounting to TL 21.309 under Financial Assets at Fair Value Through Other Comprehensive Income are reflected in the financial statements at their acquisition cost since they are not traded in an active market and these securities are not shown in this table.

(2) Positive differences from Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss" line in the balance sheet.

(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss" line in the balance sheet.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

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

(1) Securities amounting to TL 19.941 under Financial Assets at Fair Value Through Other Comprehensive Income are reflected in the financial statements at their acquisition cost since they are not traded in an active market and these securities are not shown in this table.

(2) Positive differences from Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss" line in the balance sheet.

(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss" line in the balance sheet.

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

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management

Linkages between financial statements and risk amounts

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

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

Disclosures on the risk management approach and risk-weighted amount

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Overview of risk weighted assets

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Linkages between financial statements and risk amounts (Continued)

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

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

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

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk

General qualitative information on credit risk

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

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

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

Credit quality of assets

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Changes in stock of default loans and debt securities

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

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

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

Additional disclosure related to the credit quality of assets

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

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

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

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

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

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

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

Aging analysis for overdue receivables

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

Credit risk mitigation

Qualitative disclosure on credit risk mitigation techniques

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Credit risk mitigation (Continued)

Qualitative disclosure on credit risk mitigation techniques (Continued)

Credit risk mitigation techniques - Standard approach

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

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

Credit risk under standard approach

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Credit risk under standard approach (Continued)

Credit risk exposure and credit risk mitigation effects

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Credit risk under standard approach (Continued)

Credit risk exposure and credit risk mitigation effects

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Credit risk under standard approach (Continued)

Exposures by asset classes and risk weights

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations related to credit risk (Continued)

Credit risk under standard approach (Continued)

Exposures by asset classes and risk weights

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Disclosures on counterparty credit risk (CCR)

Qualitative disclosures on CCR

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

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

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

Analysis of counterparty credit risk exposure by approach

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Disclosures on counterparty credit risk (CCR) (Continued)

Analysis of counterparty credit risk exposure by approach (Continued)

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

Credit valuation adjustment (CVA) for capital charge

	Current Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3×multiplier)	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-
3	All portfolios subject to the Standardized CVA capital charge	1.307.593	420.271
4	Total subject to the CVA capital charge	1.307.593	420.271

	Prior Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3×multiplier)	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-
3	All portfolios subject to the Standardized CVA capital charge	695.118	179.383
4	Total subject to the CVA capital charge	695.118	179.383

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Disclosures on counterparty credit risk (CCR) (Continued)

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

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

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Disclosures on counterparty credit risk (CCR) (Continued)

Collaterals used for CCR

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

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

Credit derivatives

None (December 31, 2024: None)

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Exposures to central counterparties

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

Securitization exposures:

None. (December 31, 2024: None).

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations on market risk

Qualitative information to be disclosed to public concerning market risk

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

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

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

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

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

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

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

Market Risk-standard approach

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

Explanations on operational risk

Information to be disclosed to the public regarding operational risk

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

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

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

Statements regarding interest rate risk arising from banking accounts.

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

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

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

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (Continued)

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets

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

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

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

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

(1) Expected credit loss amounting to TL 5.646 is allocated in "Balances with the Central Bank of Turkey" (December 31, 2024: TL 3.102).

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

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

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets

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

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

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

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

3. Information on banks and foreign banks accounts

3.a Information on banks:

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

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

3.b Information on foreign banks

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

5. Explanation on loans

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

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

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

Current Period (1)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Amendments on Conditions of Contract	
			Loans with Revised Contract Terms	Refinance
Non-specialized loans	212.596.743	-	16.424.519	-
Working Capital loans	29.959.400	-	4.892.355	-
Export loans	1.534.305	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	16.179.897	-	-	-
Consumer loans	17.438	-	-	-
Credit cards	-	-	-	-
Other	164.905.703	-	11.532.164	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	212.596.743	-	16.424.519	-

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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:

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

5. Explanation on loans (Continued)

5.c Loans according to their maturity structure:

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

5. Explanation on loans (Continued)

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TL	3.373	4.602	7.975
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	3.373	4.602	7.975
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	3.373	4.602	7.975

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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:

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

5.g Domestic and foreign loans:

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

5.h Loans granted to subsidiaries and associates:

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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):

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

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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:

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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
Current Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	-	-	239
Provision amount (-)	-	-	239
Prior Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	83	-	97
Provision amount (-)	83	-	97

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

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

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

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

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

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

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. Information on financial assets measured at amortized cost

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

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

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

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

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

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

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

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

Expected credit loss amounting to TL 19,340 is allocated in "Financial asset measured at amortized cost" (December 31, 2024: TL 20,200).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

7. Information on associates (net)

7.a Information on associates

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

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

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

7.b Movements of associates subject to consolidation

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

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

Information on associates disposed of in the current period

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

Information on associates purchased in the current period

In current period the Bank has not purchased any associates.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

7. Information on associates (net) (Continued)

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

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

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

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

8. Information on subsidiaries (net)

8.a Information related to equity component of subsidiaries:

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

8. Information on subsidiaries (net) (Continued)

8.a Information related to equity component of subsidiaries (Continued):

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

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

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

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

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

8.c Information on subsidiaries:

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

8. Information on subsidiaries (net) (Continued)

8.c Information on subsidiaries(Continued):

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

(1) The financial information of the company consists of the amounts not subject to inflation accounting as stated in the company's special disclosure, and these balances have been adjusted and used in the Bank's financial statements in compliance with the group's accounting policies.

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

(3) Fair value has been calculated based on the stock market value as of December 31, 2025.

8.d Movement schedule for subsidiaries:

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

(1) Includes accounting differences with the equity method.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

8. Information on subsidiaries (net) (Continued)

8.d Movement schedule for subsidiaries (Continued)

Subsidiaries disposed of in the current period

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

Subsidiaries purchased in the current period

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

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

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

8.f Subsidiaries subject to quoted on stock market:

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

9. Subsidiaries subject to quoted on stock market:

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

10. Information on lease receivables (net)

10.a Maturities of investments on leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	137.544	116.264	49.502	42.888
Between 1 - 4 years	579.972	480.321	113.032	91.573
More than 4 years	655.192	552.153	353.471	283.092
Total	1.372.708	1.148.738	516.005	417.553

Expected credit loss amounting to TL 158.668 (December 31, 2024: TL 117.847) is allocated in "Lease Receivables".

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement: Finance lease agreements are made in accordance with the related articles of Financial Leasing, Factoring and Financing Company Law No 6361. There is no restructuring or restrictions, which have material effect on financial statements.

11. Explanation on derivative financial assets held for hedging purposes

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

11.a.1 Information on fair value hedge accounting

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

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

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

12. Explanations on tangible assets

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

12. Explanations on tangible assets (Continued)

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

13. Explanations on tangible assets

13.a Useful life or amortization rates used:

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

13.b Amortization methods used:

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

13. Explanations on intangible assets (Continued)

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

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

13. Explanations on intangible assets (Continued)

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

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

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

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

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

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

13.i Amount of purchase commitments for intangible assets:

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

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

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

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

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

13.l Information on goodwill:

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

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

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

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

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

14. Information on investment property

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

15. Information on deferred tax assets

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

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

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

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

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

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

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

16. Explanation on assets held for sale

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

17. Information about other assets

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities

1. Information of maturity structure of deposits

1.a Maturity structure of deposits:

The Bank is not authorized to accept deposits.

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

The Bank is not authorized to accept deposits.

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

The Bank is not authorized to accept deposits.

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

The Bank is not authorized to accept deposits.

2. Negative differences table related to derivative financial liabilities

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

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

3. Information on banks and other financial institutions

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

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

3.b Maturity analysis of funds borrowed:

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities

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

3.c Information on marketable securities issued

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

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

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

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

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

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

5. Information on financial lease obligations (net)

5.a Explanations on finance lease payables:

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

5.b Explanations regarding operational leases:

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

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

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

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

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

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

7. Explanations on provisions

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

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

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

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

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

7. Explanations on provisions

7.c Information on other provision:

7.c.1 Free provision for possible risks:

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

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

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

The following actuarial assumptions were used in calculating total liabilities.

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

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

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

Liabilities on pension rights

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

Liabilities for pension funds established in accordance with Social Security Institution

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

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

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

In this context, taking into account the legal provisions explained in Section 3, Article XVI, “Obligations Regarding Employee Rights,” for the Fund’s primary obligations related to the transfer, the Bank has no liability as of December 31, 2025, for other social rights and payments, as well as health benefits provided to employees, that are included in the foundation deed and are outside the scope of the primary obligations related to the transfer.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and disclosures related to the liabilities (Continued)

7. Explanations on provisions

7.c Information on other provision:

7.c.2 Information on employee termination benefits and unused vacation accrual

Liabilities on pension rights

According to the technical balance sheet reports prepared within the framework of Law No. 5754 published in the Official Gazette No. 26870 dated May 8, 2008 and using the specified rate of 9,80% technical interest, it was reported that there was no technical deficit for the Fund as of 31 December 2025 and 31 December 2024.

The Bank’s liability as of the balance sheet date regarding the benefits to be transferred to the Social Security Institution is the estimated payment amount that will be required to be made during the transfer to the Social Security Institution, and the actuarial parameters and results used in measuring this amount reflect the provisions of Law No. 5754 published in the Official Gazette No. 26870 dated May 8, 2008 regarding the retirement and health benefits to be transferred to the Social Security Institution (9,80% real discount rate, etc.).

In calculating the liability amount for transferable benefits, largely fixed and specific assumptions are used within the framework of the New Law. However, the final amount of liability that the Bank will incur when the transfer is made may vary depending on factors such as the number of participants and the rate of separation, especially the discount rate, inflation and wage increases.

	Current Period	Prior Period
Existence of the Foundation*	365.529	312.255
Employee Contributions	4.503.095	2.725.217
Total Assets	4.868.624	3.037.472
Total Cash Values of Pensions	3.671.223	2.539.967
Total Cash Values of Management Expenses	39.968	27.619
Total Cash Value of Health Benefits	325.592	221.942
Total Liability	4.036.783	2.789.528
Actual and Technical Surplus Amount	831.841	247.944

* The fair values of the assets have been taken into consideration.

According to the relevant Actuarial Report, the Fund’s surplus is TL 831.841 as of December 31, 2025. (December 31, 2024: TL 247.944).

In the “2. Economic Assumptions” section of Annex-5 of the Circular on Actuarial Audit of Institutions Making Commitments for Retirement (2022/18) which includes the title “Points to be Considered in the Selection of Assumptions”, “9.8% real interest rate has been taken as the basis as the discount and return rate for foundations providing services within the scope of the temporary 20th article of the Social Insurance and General Health Insurance Law No. 5510.

The "Prime-Based Ceiling Wage Increase" is determined based on the "Prime-Based Ceiling Wage" set by the Social Security Institution (SGK). Increases in the earnings of contributing members and ceiling wages are assumed to reflect a real increase above inflation, considering past trends.

According to Article 55 of Law No. 5510, it is foreseen that the inflation rate in the six-month period of the year will be used as an increase in the next six-month period for retirement pensions. It is assumed that the increase in the obligation in the payments will be made to the retirement pensions according to the 6-month CPI and that the increase in the payments for the Foundation will be at the annual CPI rate.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

7. Explanations on provisions (Continued)

7.c Information on other provision (Continued)

7.c.2 Information on employee termination benefits and unused vacation accrual (continued)

In line with the actuarial assumptions used in calculating fund liabilities, and taking into account the regulation published in the Official Gazette dated December 19, 2025, and numbered 33112, the ceiling for monthly earnings subject to premiums has been increased from 7.5 times the minimum wage to 9 times the minimum wage, and the employer's long-term insurance contribution rate has been raised from 11% to 12%.

7.c.3 Explanations on litigation

As of December 31, 2025, litigation is amounting TL 190.000 reflected in financial statements (December 31, 2024: TL 100.000)

7.c.4 If other provisions exceed 10% of total provisions, the name and amount of sub-accounts:

There are no additional provisions beyond those described above (December 31, 2024: None).

8. Explanations on taxes payable

8.a Explanations on current taxes payable:

8.a.1 Explanations on taxes payable

	Current Period		Prior Period	
	TL	FC	TL	FC
Corporate Taxes and Deferred Taxes				
Corporate Tax Payable	238.143	-	281.136	-
Deferred Tax Liability	-	-	-	-
Total	238.143	-	281.136	-

8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	238.143	281.136
Taxation of Securities	3.547	6.406
Property Tax	-	-
Banking and Insurance Transaction Tax (BITT)	43.423	43.331
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	8.964	7.373
Other	48.225	28.906
Total	342.302	367.152

8.a.3 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	-	-
Social Security Premiums-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment insurance-Employee	743	538
Unemployment insurance-Employer	1.484	1.075
Total	-	-
Total	2.227	1.613

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

8.b Information on deferred taxes liabilities:

As at the reporting date, the Bank has no deferred tax liability (December 31, 2024: None)

9. Explanations on liabilities regarding assets held for sale

None (December 31, 2024: None).

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

As of March 21, 2024, the Bank has provided a sustainable subordinated loan with a nominal amount of USD 300 million and a redemption date of March 21, 2029, with a coupon payment every 6 months.

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	13.142.591	-	10.800.864
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	13.142.591	-	10.800.864
Debt Instruments Subject to Tier II Equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	13.142.591	-	10.800.864

11. Explanations on shareholders' equity

11.a Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

11.c Information on share capital increases and their sources; other information on increased capital shares in current period:

In line with the decision taken at the Ordinary General Assembly held on March 24, 2025, the Bank does not have any capital increase during the current period.

In line with the decision taken at the Ordinary General Assembly held on March 28, 2024, the Bank does not have any capital increase during the current period.

11.d Information on share capital increases from capital reserves:

None (December 31, 2024: None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (Continued)

11. Explanations on shareholders' equity (Continued)

11.e Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments for its associates in the last fiscal year and at the end of the following period. (December 31, 2024: None)

11.f Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The prior period income, profitability and liquidity of the Bank and their trends in the successive periods are followed by Budget Planning Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses.

The Bank operations are profitable, and the Bank retains a major part of its profit capital reserves within the shareholders equity.

11.g Information on preferred shares which represent the capital

There are no privileges granted to the Bank's shares representing the capital (December 31, 2024: None).

11.h Information on marketable securities value increase funds:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control	3.662.172	-	2.864.916	-
Financial Assets at Fair Value Through Profit or Loss	1.770.779	499.311	1.121.437	197.133
Valuation Differences	1.050.474	499.311	663.230	197.133
Foreign Exchange Difference	720.305	-	458.207	-
Total	5.432.951	499.311	3.986.353	197.133

11.i Information on legal reserves:

	Current Period	Prior Period
First legal reserve	645.497	645.497
Second legal reserve	-	-
Other legal reserves appropriated in accordance with special legislation	-	-
Total	645.497	645.497

11.j Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	24.429.681	14.329.918
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange differences	-	-
Total	24.429.681	14.329.918

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items

1. Explanation on off-balance sheet liabilities

1.a Types and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Forward Purchase and Sales of Assets	4.829.518	848.301
Commitments for Stock Brokerage Purchase and Sales	36.377	254.255
Commitments for Letter of Credit	517.491	574.672
Capital commitments for subsidiaries and associates (1)	152.834	142.284
Other	88.116	39.897
Total	5.624.336	1.859.409

(1) The Bank, the European Investment Fund, to be established by Turkish Growth and Innovation Fund (TGIF) purchase of shares of the fund established under the name situated remaining amount that commitment and capital participation commitment regarding the cash capital increase of TSKB Sürdürülebilirlik A.Ş.

1.b Possible losses and commitments related to off-balance sheet items including items listed below:

1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:

As of the reporting date, total letters of credit, surety and acceptances amount to TL 19.115.926 (December 31, 2024: TL 12.968.450).

1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:

As of the reporting date, total letters of guarantee given by the Bank is TL 14.986.991 (December 31.2024: TL 8.626.890).

1.c.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against obtaining cash loans	10.763.015	4.520.928
With maturity of one year or less than one year	-	1.402.661
With maturity of more than one year	10.763.015	3.118.267
Other non-cash loans	23.339.902	17.074.412
Total	34.102.917	21.595.340

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items

1. Explanations and disclosures related to the off-balance sheet items

1.c.2 Information on sectoral risk concentration of non cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	11.116	1	-	-	-	-	-	-
Farming and stockbreeding	11.116	1	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	1.303.012	89	30.000.504	92	3.194.592	95	16.252.567	89
Mining	765	-	45.059	-	4.552	-	1.292.433	7
Manufacturing Industry	109.348	7	18.399.833	57	2.105.252	63	10.803.666	59
Electricity, Gas, Water	1.192.899	82	11.555.612	35	1.084.788	32	4.156.468	23
Construction	819	-	21.335	-	1.972	-	18.027	-
Services	133.164	9	1.806.322	6	134.309	4	1.430.096	8
Wholesale and Retail Trade	-	-	99.552	-	-	-	657	-
Hotel, Food and Beverage Services	-	-	1.706.770	6	-	-	-	-
Transportation and Communication	1.138	-	-	-	1.138	-	1.402.660	8
Financial Institutions	131.096	9	-	-	131.096	4	26.779	-
Real Asset and Leasing Services	930	-	-	-	2.075	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	19.550	1	807.095	2	19.550	1	544.227	3
Total	1.467.661	100	32.635.256	100	3.350.423	100	18.244.917	100

1.c.3 Information on non cash loans classified under Group I and Group II:

	Group I				Group II			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	1.441.386	32.573.730	3.323.785	18.226.233	5.168	61.526	18.331	18.684
Letters of Guarantee (1)	1.441.386	13.497.995	2.791.734	5.808.518	5.168	21.335	18.331	-
Bank Acceptances	-	546.172	-	131.339	-	-	-	-
Letters of Credit	-	18.529.563	532.051	12.286.376	-	40.191	-	18.684
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-

(1) The letter of guarantee followed in stage III is respectively amounting to TL 21.107 (December 31, 2024: III., V. respectively amounting to TL 11 and TL 8.296).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items (Continued)

2. Explanation related to derivative financial instruments

As of December 31, 2025, the Bank's breakdown of term foreign exchange, money and interest swap transactions are as follows in foreign currency and TL denominated equivalents.

Current Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Futures Buy	Futures Sell	Fair Value Hedge
TL	2.238.669	2.216.394	1.699.702	19.800.374	313.326	313.326	-	-	-
US Dollar	3.662.635	3.658.532	59.083.190	16.194.482	276.941	276.941	-	-	74.991.120
Euro	5.379.119	5.376.851	11.571.526	36.003.532	219.536	219.536	-	-	14.538.502
Other	15.347	15.391	242.510	242.505	-	-	-	-	-
Total	11.295.770	11.267.168	72.596.928	72.240.893	809.803	809.803	-	-	89.529.622

Prior Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Futures Buy	Futures Sell	Fair Value Hedge
TL	268.295	118.364	2.996.473	13.909.940	-	-	-	-	-
US Dollar	144.580	302.410	46.030.447	22.009.441	9.884	9.884	-	-	54.382.297
Euro	37.136	37.136	8.159.738	20.340.758	9.701	9.701	-	-	14.916.404
Other	1.641	1.584	859.826	861.222	-	-	-	-	-
Total	451.652	459.494	58.046.484	57.121.361	19.585	19.585	-	-	69.298.701

Derivative Financial Liabilities Held For Trading	Current Period			Prior Period		
	Fair Value Assets	Fair Value Liabilities	Notional Amount in Turkish Lira Equivalent	Fair Value Liabilities	Fair Value Assets	Notional Amount in Turkish Lira Equivalent
Swap Transactions	886.725	453.915	97.984.201	1.218.403	323.159	58.709.875
Interest Rate Swap Transactions	558.177	444.940	46.853.620	715.800	553.648	56.457.970
Forward Transactions	225.854	200.191	22.562.938	3.805	3.587	911.146
Option Transactions	952	952	1.619.606	24	24	39.170
Other	-	-	-	-	-	-
Total	1.671.708	1.099.998	169.020.365	1.938.032	880.418	116.118.161

Fair value hedge

In the year ended 31 December 2025, the Bank had hedging swap interest and money trading transactions with a nominal amount of TL 89.529.622 (December 31, 2024: TL 69.298.701).

Hedging from the cash-flow risk

As of December 31, 2025 there are no cash-flow hedging transactions (December 31, 2024: None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items (Continued)

3. Explanations on loan derivatives and risk exposures

The Bank has no risk of credit derivatives or incurred as a result of them (December 31, 2024: None).

4. Explanations on contingent liabilities and assets

There are 27 legal cases against the Bank which are amounting to TL 190.401 as of the reporting date (December 31, 2024: TL 156.631 - 29 legal cases).

According to Legal Department of the Bank, it is not expected that the other lawsuits against the Bank will have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

5. Custodian and intermediary services:

The Bank has not provided trading and safekeeping services in the name and account of real people, legal entities, funds, pension funds and other entities, which are presented in the statement of contingencies and commitments. The details of the securities taken as collateral are shown in the off-balance sheet accounts.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement

1. Information on interest income

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans (1)				
Short term loans	8.158	408.371	88.115	452.287
Medium- and long-term loans	4.853.506	15.113.165	3.501.172	12.720.066
Interest in non-performing loans	13.489	338.909	35.646	55.682
Premiums received from resource utilization support fund	-	-	-	-
Total	4.875.153	15.860.445	3.624.933	13.228.035

(1) Commission income from loans has been included to the interest on loans.

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey (1)	315	-	752	-
Domestic banks	18.066	97.891	25.231	57.565
Foreign banks	-	1.052	-	6.604
Branches and head office abroad	-	-	-	-
Total	18.381	98.943	25.983	64.169

(1) Interests given to the Turkish Lira and US Dollar portion of the CBRT Required Reserves, reserve options and unrestricted accounts have been presented under "The Central Bank of Turkey" line in the financial statements.

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit and Loss	56	-	4.333	-
Financial Assets at Fair Value Through Other Comprehensive Income	6.068.116	359.342	2.999.177	333.688
Financial Assets Measured at Amortized Cost	2.876.557	1.245.340	4.097.551	975.369
Total	8.944.729	1.604.682	7.101.061	1.309.057

As indicated in accounting policies, the bank evaluates its Consumer Price Indexed (CPI) government bonds which are in securities portfolio of the Bank base on reference index at date of issue and estimated CPI's. The estimated CPI's is updated when it seems necessary.

As of December 31, 2025, the valuation of the said securities was calculated using the October 2024-October 2025 annual actual index rate (32,87%). (December 31, 2024: 48.6%).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

1. Information on interest income (Continued)

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	232.532	206.446

2. Information on interest expenses

2.a Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	733.232	2.950.836	562.104	2.589.054
The Central Bank of Turkey	-	-	-	-
Domestic banks	50.138	25.074	139.870	216.543
Foreign banks	683.094	2.925.762	422.234	2.372.511
Branches and head office abroad	-	-	-	-
Other financial institutions	230.980	5.367.609	-	4.760.930
Total (1)	964.212	8.318.445	562.104	7.349.984

(1) Commissions given to Banks and Other Institutions have been included to interest expense on funds borrowed.

2.b Information on interest expense to associates and subsidiaries:

The Bank has no interest expense to its associates and subsidiaries (December 31, 2024: None).

2.c Information on interest expense to securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued (1)	-	5,059.028	-	3.708.905

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.647	3.022
Other	-	3.841
Total	9.647	6.863

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

4. Information on net trading income (net)

	Current Period	Prior Period
Profit	20.240.210	42.853.984
Gains on capital market operations	647.499	171.068
Gains on derivative financial instruments (1)	6.607.344	7.483.655
Foreign exchange gains	12.985.367	35.199.261
Losses (-)	(20.718.342)	(44.928.784)
Losses on capital market operations	(28.723)	(36.436)
Losses on derivative financial instruments (1)	(19.136.207)	(8.930.738)
Foreign exchange losses	(1.553.412)	(35.961.610)

(1) Foreign exchange gain from derivative transactions amounting to TL 1.492.879 is presented in "Gains on derivative financial instruments" (December 31, 2024: TL 3.670.695), foreign exchange loss from derivative transactions amounting to TL (14.113.550) is presented in "Losses on derivative financial instruments" (December 31, 2024: TL (5.193.239)).

5. Explanation related to other operating income

	Current Period	Prior Period
Provisions Released	1.652.854	789.642
Gains on Sale of Assets	13.343	535
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	13.343	535
From Other Asset Sales	-	-
Other	1.410.631	98.066
Total	3.076.828	888.243

(1) Includes the cancellation of free reserves set aside for potential risks amounting to TL 950,000 as of the balance sheet date (31 December 2024: Not applicable.)

6. Expected credit loss of the Bank

	Current Period	Prior Period
Expected Credit Loss	4.273.651	561.045
12 Months Expected Credit Loss (Stage 1) (1)	125.423	(166.250)
Significant Increase in Credit Risk (Stage 2)	1.470.667	357.163
Non-performing Loans (Stage 3)	2.677.561	370.132
Marketable Securities Impairment Expenses	5.955	2.523
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.955	2.523
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other (1)	90.000	330.000
Total	4.369.606	893.568

(1) As of the balance sheet date, there is no free reserve expense released to the market for possible risks (31 December 2024: TL 300,000).

(2) Provision cancellations made from Stage 1 loan provisions in the relevant period are shown netted under the expected loss provisions and other provision expenses item.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

7. Information related to other operating expenses

	Current Period	Prior Period
Reserve for employee termination benefits	26.797	3.272
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	69.689	82.317
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	9.410	2.663
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	-	-
Depreciation expenses of assets for resale	-	-
Impairment expenses of assets held for sale	-	-
Other operating expenses	458.605	290.471
Leasing Expenses on TFRS 16 Exceptions	15.713	11.679
Maintenance expenses	6.809	4.334
Advertisement expenses	13.556	6.693
Other expenses (1)	422.527	267.765
Loss on sale of assets	-	-
Other (2)	316.475	245.040
Total	880.976	623.763

(1) Includes non-bank service expenses of TL 205.753, computer usage expenses of TL 71.560, and communication expenses of TL 40.629 (31 December 2024: Includes non-bank service expenses of TL 109.185, computer usage expenses of TL 59.215, and communication expenses of TL 30.400).

(2) Includes tax and duty expenses excluding corporate tax in the amount of TL 112.113; permit provisions expenses in the amount of TL 40.542 (31 December 2024: Includes tax and duty expenses excluding corporate tax in the amount of TL 15.909).

8. Information on tax provision for continued and discontinued

Income items for the period ending on 31 December 2025 include net interest income of TL 17.070.354 (31 December 2024: TL 15.104.937), net fee and commission income of TL 426.440 (31 December 2024: TL 513.873) and other operating income of TL 3.076.828 (31 December 2024: TL 888.243).

The Bank's pre-tax profit as of December 31, 2025 increased by 8,35% compared to the previous period's pre-tax profit. The Bank's net interest income increased by 13,01% compared to the previous period.

9. Explanations on net profit/loss from continued and discontinued operations

9.a Information on current tax charge or benefit and deferred tax charge or benefit:

The Bank has amounting to TL 3.988.859 current tax expense for the period (December 31, 2024: TL 2.371.538). Deferred tax income is TL 549.924 (December 31, 2024: TL 1.172.831)

9.b Information related to deferred tax benefit or charge on temporary differences:

Deferred tax income calculated on temporary differences is TL 549.924 (December 31, 2024: TL 1.172.831 income).

9.c Information related to deferred tax benefit / charge on temporary differences, losses, tax deductions and exceptions:

There is no deferred tax income or expense reflected in the income statement in terms of financial losses and tax deductions and exceptions. (December 31, 2024: None).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (Continued)

10. Explanations on net profit/loss from continued and discontinued operations

As of December 31, 2025, the Bank's profit before tax has increased by 12,32% compared to the prior period.

11. Information on net profit/loss

11.a The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period:

Due to ordinary banking transactions, the Bank received interest income of 34.912.512 interest expenses of TL, 17.842.158 net fee and commission income of TL 426.440 (December 31, 2024: interest income of TL 28.643.380, interest expenses of TL 13.538.443, net fee and commission income of TL 513.873).

11.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:

There has no change in the accounting estimates and accordingly effect on the financial statement items.

11.c Minority share of profit and loss:

There is no profit and loss attributable to minority interest in the accompanying unconsolidated financial statements (December 31, 2024: None)

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

None other than other operating expenses explained in Note IV.6, exceeds 10% of the income statement.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and disclosures related to the statement of changes in shareholders' equity

1. Informations related to capital

As of the balance sheet date, paid in capital is TL 2.800.000, legal reserves are TL 645.497, extraordinary legal reserves are TL 24.429.681.

2. Accumulated other comprehensive income or loss not reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss not reclassified through profit or loss includes valuation differences related to tangible assets, Defined Benefit Pension Plan related to Actuarial gains, related to valuation differences of the shares that are being classified fair value through other comprehensive income are being valued at market value in investment in associates, subsidiaries and entities which under equity method.

3. Accumulated other comprehensive income or loss reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss reclassified through profit or loss includes related to exchange differences of the shares that are classified fair value through other comprehensive income and related to revaluation differences of fair value through other comprehensive income.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to the statement of cash flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

In the current period, other income amounting to TL 2.022.484 consists of gain on sale of assets and non-interest income (December 31, 2024: TL 632.411 gain on sale of assets, and non-interest income).

Other captions in changes in assets and liabilities from banking operations amounting to (5.520.464) TL (December 31, 202: TL 1.402.130 consists of other items such as derivative financial transaction losses, severance pay provision and depreciation expenses, excluding taxes paid, other operating expenses, fees and commissions, and foreign exchange profit/loss.

In the current period, net increase/decrease item in other assets amounting to TL (4.173.550) (December 31, 2024: TL (2.490.811)) consists of change in miscellaneous receivables, reserve requirement and other assets item.

In the current period, net increase/decrease in other assets amounting to TL 2.716.414 (December 31, 2024: TL 1.361.768), consists of change in miscellaneous receivables, reserve requirement and other assets item.

In the current period, the effect of changes in foreign currency exchange rates on cash and cash equivalents has been realized amounting to TL 611.431 (December 31, 2024: TL 386.160)

2. Information about cash flows from acquisition of associates, subsidiaries and other investments

In the current period, the Bank invested TL 70.795 TL in securities and real estate and TL 24.433 in intangible assets. In the current period, the Bank contributed to the capital of its subsidiaries TL 200,000 in cash.

In the prior period, the Bank invested TL 18.600 of movable and immovable property and TL 3.353 of intangible assets. In the prior period, the Bank did not contribute to the capital of its subsidiaries in cash.

Information about disposal of associates, subsidiaries, and other investments

In the current period, the Bank has generated a cash inflow of TL 17.075 on sale of movable fixed assets and properties (December 31, 2024: TL 581).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to the statement of cash flows (Continued)

3. Information on cash and cash equivalents at the end of the period

Information on cash and cash equivalents at the beginning of the period:

	Beginning of the Current Period	Beginning of the Prior Period
Cash	8.117	45.224
Cash and Cash Deposit	-	-
Central Bank of Turkey and other	8.117	45.224
Cash Equivalents	9.543.196	12.059.349
Demand Deposit Banks and Term Deposits up to 3 Months	7.675.696	4.764.578
Money Market Placements	1.867.500	7.294.771
Total	9.551.313	12.104.573

Information on cash and cash equivalents at the end of the period:

	End of the Current Period	End of the Prior Period
Cash	9.750	8.117
Cash and Cash Deposit	-	-
Central Bank of Turkey and other	9.750	8.117
Cash Equivalents	18.003.904	9.543.196
Demand Deposit Banks and Term Deposits up to 3 Months	8.440.395	7.675.696
Money Market Placements	9.563.509	1.867.500
Total	18.013.654	9.551.313

4. Amount of cash and cash equivalents restricted for the usage of the Bank and the shareholders by legal limitations and other reasons

Reserves amounting to TL 5.693.387 (December 31, 2024: TL 2.872.308) in Turkish Republic Central Bank represent Turkish Lira, foreign currency requirements of the Bank.

5. Additional information related to financial position and liquidity of the Bank

5.a Any unused financial borrowing facility which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities:

There are not any unused financial borrowing facilities which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities.

5.b Apart from the cash flows needed to run ordinary operations of the Bank, total cash flows that shows the increase in the operation capacity of the Bank:

Under current economic conditions, the cash flows are followed daily and cash flows showing the increase in the capacity of operations of the Bank are investigated.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations on the risk group of the Bank

1. Information on the volume of transactions related to the Bank's own risk group, outstanding loan and deposit transactions and income and expenses of the period

1.a Current Period:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	2.197.707	2.077	307.580	-	5.100.647	347.083
Balance at End of Period	2.020.814	932	124.490	-	7.872.144	7.598.237
Interest and Commission Income	227.061	5.471	16.451	-	556.570	56.374

1.b Prior Period:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	2.325.017	2	597.442	-	2.143.440	402.170
Balance at End of Period	2.197.707	2.077	307.580	-	5.100.647	347.083
Interest and Commission Income	200.772	5.690	46.082	-	406.037	5.741

1.c Information on deposit held by Bank's own risk group:

The Bank is not authorized to accept deposits.

2. Information on forward, option and other similar agreements made with Bank's own risk group

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	982.300	1.114.465	-	-	-	-
End of the Period	615.491	982.300	-	-	-	-
Total Profit / Loss (1)	(15.882)	(22.914)	-	-	136	(3.987)
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss (1)	-	-	-	-	-	-

(1) Prior Period includes information about December 31, 2024.

3. Total salaries and similar benefits provided to the key management personnel

Benefits provided to the key management personnel in the current period amount to TL 194.018 (December 31, 2024: TL 133.598).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements

For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Bank:

1. Domestic and foreign branches and representative offices

	Number	Number of Employees			
Domestic branches	1	483			
			Country of Incorporation		
Foreign representations	-	-			
				Total Asset	Statutory Share Capital
Foreign branches	-	-		-	-
Off-shore banking region branches	-	-		-	-

2. Explanation on opening, closing of a branch/agency of the Bank or changing its organizational structure significantly

In the current year, the Bank has not opened any branch or agency and there is no significant change in the organization structure of the Bank's operating branches.

In the prior period, the Bank has not opened any branch or agency and there is no significant change in the organization structure of the Bank's operating branches.

SECTION SIX

OTHER EXPLANATIONS

I. Other explanations related to operations of the Bank

1.a Brief information related to ratings carried out by international rating firms: FITCH RATINGS

Long-term Maturity Foreign Currency (issuer)	BB-
Long-term Maturity Foreign Currency Outlook (issuer)	Positive
Short-term Maturity Foreign Currency (issuer)	B
Long-term Maturity National Currency (issuer)	BB-
Long-term Maturity National Currency Outlook (issuer)	Positive
Short-term Maturity National Currency (issuer)	B
State Support Note	bb-
National Note	AA
National Note Outlook	Stable
Financial Capacity Note	bb-

International credit rating agency Fitch Ratings updated the Bank's credit ratings on January 28 2026.

MOODY'S

Reference Credit Rating Note	b1
Foreign Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Domestic Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Unsecured Debt-Foreign Currency	
Long-term Maturity	Ba3
Outlook	Stable

Information above represents updated information by Moody's as of July 30, 2025

1.b Information on corporate governance rating of the Bank:

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with Capital Markets Board license, updated the Bank's corporate governance rating of 96,68% (10 over 9,67) as of October 17, 2025. Ratings under the main topics of weighted Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors are declared as; 9,51 (Weight: 25%), 9,87 (Weight: 25%), 9,89 (Weight: 15%), 9,54 (Weight 35%) over 10 respectively.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

Notes To The Financial Statements For The Year Ended December 31, 2025

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated year-end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION SIX

OTHER EXPLANATIONS (Continued)

I.c Fee information regarding the services received by the Bank from an Independent Auditor and the Other Independent Audit Firms:

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor and other independent audit firms, on the amounts excluding VAT, is as follows given in the table. These fees for services rendered to the Bank and its subsidiaries are included.

	Current Period	Prior Period
Independent audit fee for the reporting period (*)	10.318	8.029
Fees for tax advisory services	1.893	1.372
Fees for other assurance services	20.322	16.722
Fees for services other than independent audit	155	113
Total	32.688	26.236

(*) The Group's consolidated audit fees are shown.

II. Other explanations related to the events after the reporting date

None.

SECTION SEVEN

AUDITORS' REPORT

I. Explanations on the auditors' report

The unconsolidated financial statements for the period ended December 31, 2025 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's audit report dated February 3, 2026 is presented preceding the financial statements.

II. Explanations and notes prepared by independent auditors

There are no other explanations and notes not expressed in sections above related with the Bank's operations.

Türkiye Sınai Kalkınma Bankası Anonim Şirketi and Its Subsidiaries

Independent Auditor's Audit Report, Consolidated Financial
Statements and Notes for the Year Ended
December 31, 2025

(Convenience translation of publicly announced consolidated
year-end financial statements and report originally issued in
Turkish, See Note I. of Section three)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Türkiye Sınai Kalkınma Bankası Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye Sınai Kalkınma Bankası Anonim Şirketi ("the Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the statement of consolidated balance sheet as at 31 December 2025, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the Basis for Qualified Opinion section below, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II 7.c.1 a of Explanations and Notes to the Consolidated Financial Statements as at 31 December 2025 include a free provision amounting to TL 1.100.000 thousand, which consists of TL 2.050.000 thousand provided in prior years and TL 950.000 thousand reversed in the current year by the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have decreased by TL 1.100.000 thousand, net profit and equity would have decreased by TL 950.000 thousand and increased by TL 1.100.000 thousand, respectively as at 31 December 2025.

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA and applicable to audits of consolidated financial statements of public interest entities, the ethical requirements regarding independent audit in regulations issued by the POA as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.



Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans and receivables The Group has total provision for expected credit losses amounting to TL 10.684.298 thousand in respect to total loans amounting to TL 239.299.385 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2025. Explanations and notes regarding expected credit losses on loans are represented in Notes VIII of Section Three, IX of Section Three, II of Section Four, I.5 of Section Five of the accompanying consolidated financial statements as at 31 December 2025. The Group recognizes provision for expected credit losses in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans as in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and the other judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	Within our audit procedures, we have assessed policies, procedures and principles established by the Group management with respect to classifications of loans as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles. Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations. To assess whether the Group's classification of loans, impairment identification, and the timely and adequate recognition of impairment allowances are in full compliance with applicable regulatory requirements, we have performed loan review procedures based on a selected sample. For a selected sample, we have evaluated the appropriateness expected credit losses provided for loans based on individual assessment as per the Group's policies by using supportable data and through discussions with the Group's management. We reviewed the consistency and adequacy of disclosures related to loan impairment in the Group's financial statements.

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations Explanations regarding the TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") and the recognised provision are disclosed in Note II.7.c.2 of Section Five the accompanying consolidated financial statements prepared as of 31 December 2025. TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Group's management uses external actuaries for the purpose of valuations of Pension Fund obligations. During our audit, above mentioned significant judgement, assumption and estimates used in the calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact of any differentiation in these assumptions taken into consideration, and this area is considered as key audit matter.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Group's management to the external actuarial firm for the calculation of the Fund's obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Group's consolidated financial statements.



Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations Explanations regarding the TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") and the recognised provision are disclosed in Note II.7.c.2 of Section Five the accompanying consolidated financial statements prepared as of 31 December 2025. TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Group's management uses external actuaries for the purpose of valuations of Pension Fund obligations. During our audit, above mentioned significant judgement, assumption and estimates used in the calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact of any differentiation in these assumptions taken into consideration, and this area is considered as key audit matter.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Group's management to the external actuarial firm for the calculation of the Fund's obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Group's consolidated financial statements.

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2025 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2025. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 3 February 2026

**THE CONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2025**

Address : Meclisi Mebusan Cad. No:81 Fındıklı /İstanbul
Telephone: (212) 334 52 77
Fax : (212) 334 52 34
Website : www.tskb.com.tr
E-mail: ir@tskb.com.tr

The consolidated financial report for the year ended includes the following sections in accordance with “Communiqué on the Financial Statements and Related Explanations and Notes that will be made Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The subsidiaries, associates and joint ventures, financial statements of which are consolidated within the framework of the reporting package, are as follows.

Subsidiaries	Associates
Yatırım Finansman Menkul Değerler A.Ş.	İş Finansal Kiralama A.Ş.
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.
	İş Faktoring A.Ş.

The accompanying consolidated financial statements and the explanatory footnotes and disclosures for the year end, unless otherwise indicated, are prepared in thousands of Turkish Lira (“TL”), in accordance with the Communiqué on Banks’ Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks’ records, and have been independently audited and presented as attached.

February 3, 2026

Hakan ARAN
Chairman Of Board
Members

Ozan UYAR
Member of Board of
Directors and General
Manager

Tolga SERT
Executive Vice President
In Charge of Financial
Reporting

Dilek PEKCAN 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 : Dilek Pekcan Mişe / Head of Financial Reporting
Telephone Number : (212) 334 52 77

INDEX	Page Number
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. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions. which are deducted from equity or not included in these three methods.....	3
VII. The existing or potential, actual or legal obstacle on the transfer of shareholder's equity between the Bank and its subsidiaries or the reimbursement of liabilities	5
VIII. Written policies of the Parent Bank related to compliance to publicly disclosed obligations of the Parent Bank and assessment of accuracy, frequency and compliance of mentioned disclosures	5
SECTION TWO	
Consolidated Financial Statements	
I. Consolidated balance sheet (Consolidated Statement of Financial Position).....	6-7
II. Consolidated statement of off-balance sheet items	8
III. Consolidated statement of profit or loss.....	9
IV. Consolidated statement of profit or loss and other comprehensive income	10
V. Consolidated statement of changes in shareholders' equity	11
VI. Consolidated statement of cash flows	13
VII. Consolidated statement of profit distribution	14
SECTION THREE	
Accounting Policies	
I. Basis of presentation.....	15
II. Explanations on usage strategy of financial assets and foreign currency transactions	16
III. Subsidiaries and associates subject to consolidation	18
IV. Explanations on forward and option contracts and derivative instruments	18
V. Explanations on associates and subsidiaries.....	19
VI. Explanations on interest income and expenses.....	19
VII. Explanations on fees and commission income and expenses	19
VIII. Explanations on financial assets	19
IX. Explanations on impairment of financial assets	23
X. Explanations on offsetting, derecognition and restructuring of financial instruments	26
XI. Explanations on sales and repurchase agreements and lending of securities	26
XII. Explanations on assets held for sale and discontinued operations	26
XIII. Explanations on goodwill and other intangible assets	27
XIV. Explanations on tangible assets	27
XV. Explanations on leasing transactions	28
XVI. Explanations on provisions and contingent liabilities	30
XVII. Explanations on liabilities regarding employee benefits	30
XVIII. Explanations on taxation	32
XIX. Additional explanations on borrowings	35
XX. Explanations on share certificates issued	35
XXI. Explanations on acceptances	35
XXII. Explanations on government incentives.....	35
XXIII. 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 credit risk	42
III. Explanations related to currency risk	56
IV. Explanations related to interest rate risk	58
V. Explanations related to stock position risk.....	62
VI. Explanations related to the liquidity risk management and liquidity coverage ratio.....	64
VII. Explanations related to leverage ratio	74
VIII. Explanations related to presentation of financial assets and liabilities at fair value	75
IX. Explanations related to transactions made on behalf of others and fiduciary transactions	77
X. Explanations related to risk management.....	77
SECTION FIVE	
Explanations and Disclosures on Consolidated Financial Statements	
I. Explanations and disclosures related to the assets.....	102
II. Explanations and disclosures related to the liabilities	129
III. Explanations and disclosures related to the off-balance sheet items	139
IV. Explanations and disclosures related to the income statement	145
V. Explanations and disclosures related to the statement of changes in shareholders' equity.....	150
VI. Explanations related to the statement of cash flows	151
VII. Explanations on the risk group of the Parent Bank	153
VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Parent Bank	154
SECTION SIX	
Other Explanations	
I. Other explanations related to operations of the Parent Bank	155
II. Other explanations related to the events after the reporting date	156
SECTION SEVEN	
Auditors' Report	
I. Explanations on the auditors' report.....	157
II. Explanations and notes prepared by independent auditors	157

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION ONE

GENERAL INFORMATION

I. The Parent Bank's incorporation date, beginning status, changes in the existing status

Türkiye Sınai Kalkınma Bankası A.Ş. ("The Parent Bank") was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on 12 May 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on 12 May 1950.

According to the classification set out in the Banking Law No: 5411, the status of the Parent Bank is "Development and Investment Bank". The Parent Bank does not have the license of "Accepting Deposit". Since the establishment date of the Parent Bank, there is no change in its "Development and Investment Bank" status.

II. Explanations regarding the Parent Bank's shareholding structure, shareholders holding directly or indirectly, collectively or individually, the managing and controlling power and changes in current year, if any and explanations on the controlling group of the Parent Bank

The parent company Türkiye İş Bankası A.Ş. has the authority of managing and controlling power of the Parent Bank directly or indirectly, alone or together with other shareholders. Shareholders of the Parent Bank are as follows:

Current Period Name Surname/Commercial Title	Share Capital	Share Rate(%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Grubu (*)	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O. Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	234.569	8,38	234.569	-
	1.127.150	40,25	1.127.150	-
Total	2.800.000	100,00	2.800.000	-

Prior Period Name Surname/Commercial Title	Share Capital	Share Rate(%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Grubu	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O. Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	234.569	8,38	234.569	-
	1.127.150	40,25	1.127.150	-
Total	2.800.000	100,00	2.800.000	-

(*) İş Bankası Group, which is the capital of the Bank, includes Türkiye İş Bankası A.Ş. (with a 47,68% share), Milli Reasürans Türk A.Ş. (with a 1,90% share), Anadolu Anonim Türk Sigorta Şirketi (with a 0,89% share) and Anadolu Hayat Emeklilik A.Ş. (with a 0,89% share).

The shares of the parent bank have been traded on Borsa İstanbul (BIST) since December 26, 1986. 51,37% of the shares belong to Türkiye İş Bankası Group, and 41,20% of the shares in actual circulation are traded on the BIST Star Market under the symbol "TSKB"

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistant general managers and their shares and responsibilities in the Parent Bank

The Chairman and The Members of Board of Directors:

Name Surname	Title (I)
Hakan Aran	Chairman of the Board of Directors
Ece Börü (4)	Vice Chairman of the Board of Directors and Independent Member of the Board of Directors and Chairman of Audit Committee
Ozan Uyar	Member of the Board of Directors and General Manager
Murat Bilgiç (2) (3)	Member of the Board of Directors
Banu Altun	Independent Member of the Board of Directors and Member of Audit Committee
Murat Doğan	Member of the Board of Directors
S. Nuray Duran	Member of the Board of Directors
M. Sefa Pamuksuz	Independent Member of the Board of Directors
Mithat Rende	Member of the Board of Directors
Abdi Serdar Üstünsalih	Member of the Board of Directors
Cengiz Yavilioğlu	Member of the Board of Directors

General Manager and Vice Presidents

Name Surname	Title / Area of Responsibility
Ozan Uyar (2)	General Manager
Meral Murathan	Executive Vice President – Treasury, Financial Institutions and Investor Relations, Development Finance Institutions Relations, Development Finance Institutions, Climate Change and Sustainability Management
Hasan Hepkaya	Executive Vice President – Corporate Banking Sales, Project Finance, Corporate Banking Marketing, Credit Operations
Özlem Bağdatlı	Executive Vice President – Human Resources, Retirement and Supplementary Foundations, Corporate communication
Bilinç Tanağardı	Executive Vice President – Application Development, System Support and Operation, Enterprise Architecture and Process Management and Financial Affairs Management
Poyraz Koğacioğlu	Executive Vice President – Capital Markets, Mergers and Acquisitions, Corporate Finance
S. Hüseyin Gürel	Executive Vice President – Consulting Services Sales, Financial and Technical Consulting, Loan Allocation, Loan Structuring and Analysis, Engineering
Tolga Sert	Executive Vice President – Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control

(1) The shares held by the above-mentioned people in the Bank are symbolic.

(2) Mr. Murat Bilgiç retired and stepped down from his position as of July 31, 2025, and, following the completion of the necessary legal applications and approvals, Mr. Ozan Uyar has assumed the role of Chief Executive Officer.

(3) Our Bank's Board Member Mrs. İzlem Erdem, resigned from his position on August 29, 2025. Mr. Murat Bilgiç has been elected to the vacant Board of Directors position in accordance with Article 363 of the Turkish Commercial Code.

(4) At the meeting of our Bank's Board of Directors on August 29, 2025, Ms. Ece Börü was elected to the Audit Committee.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

- IV. Information about the persons and institutions that have qualified shares in the Parent Bank**
Explanation about the people and institutions that have qualified shares control the Parent Bank's capital directly or indirectly are described in General Information Section II.
- V. Summary on the Parent Bank's functions and areas of activity**
Türkiye Sınai Kalkınma Bankası A.Ş. is the first private development and investment bank which was established by the Council of Ministers resolution number of 3/11203 established in 1950 with the support of World Bank, Government of Republic of Turkey, Central Bank of Republic of Turkey and commercial banks. As per the articles of association published in the Official Gazette on 2 June 1950, the aim of the Parent Bank is to support all private sector investments but mostly industrial sectors, to help domestic and foreign capital owners to finance the new firms and to help the improvement of Turkish capital markets. The Parent Bank is succeeding its aims by financing, consulting, giving technical support and financial intermediary services. The Parent Bank, which operates as a non-deposit accepting bank, played a major role on manufacturing and finance sectors in every phase of the economic development of Turkey. The Parent Bank started its journey in 1950 financing the private sector investments in Turkey and today it provides loans and project finance with the goal of sustainable development to corporations in different fields. As a leader in meeting the long term financing needs of the private sector, the Parent Bank also continues to offer solutions with respect to the newest needs and client demands.
- VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods**
Due to differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards (TAS), the non-financial subsidiaries and associates, TSKB Gayrimenkul Değerleme A.Ş., Terme Metal Sanayi ve Ticaret A.Ş., Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş., TSKB Sürdürülebilirlik Danışmanlığı A.Ş. and Anavazra Otelcilik Anonim Şirketi are not consolidated since they are not in scope of financial institutions according to related Communiqué. These non-financial investment in associates and subsidiaries are accounted by the equity method in the consolidated financial statements.
Türkiye Sınai Kalkınma Bankası A.Ş. and its financial institutions, Yatırım Finansman Menkul Değerler A.Ş. and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. are included in the accompanying consolidated financial statements by line by line consolidation method; İş Finansal Kiralama A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and İş Faktoring A.Ş. are included in the accompanying consolidated financial statements by equity method.
Financial institutions included in the consolidation are determined in accordance with "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated 8 November 2006 numbered 26340. There are no unconsolidated partnership interests in banks and financial institutions where the Parent Bank owns 10% or more of its capital deducted from equity.
Yatırım Finansman Menkul Değerler A.Ş. :
Yatırım Finansman Menkul Değerler A.Ş. ("YF") was established in 15 October 1976. The Company's purpose is to perform capital market operations specified in the Company's articles of association in accordance with the CMB and the related legislation. The Company participates in Yatırım Varlık Kiralama A.Ş., which was established for the purpose of issuing lease certificates, with a 100% share ratio. The share of Türkiye Sınai Kalkınma Bankası A.Ş. in Yatırım Finansman Menkul Değerler A.Ş. is 95,78%. The company's headquarters is located at Istanbul/Turkey.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

- VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods (continued)**
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. :
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. ("TSKB GYO") was established on 3 February 2006. Core business of the Company is real estate trust to construct and develop a portfolio of properties and make investment to capital market instruments linked to properties. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 88,61%. The company's headquarters is located at Istanbul/Turkey.
İş Finansal Kiralama A.Ş. :
İş Finansal Kiralama A.Ş. ("İş Finansal Kiralama") was established on 8 February 1988. The Company has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No 6361. The purpose of the Company is performing domestic and foreign financial leasing activities and all kind of rental (leasing) transactions within the framework of legislation. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 29,46%. The Company's headquarters is located at Istanbul/Turkey.
İş Faktoring A.Ş. :
İş Faktoring A.Ş. ("İş Faktoring"), was incorporated in Turkey on 4 July 1993 and it has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No: 6361. The Company's main operation is domestic and export factoring transactions. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 21,75%. The Company's headquarters is located at Istanbul/Turkey.
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. :
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("İş Girişim") started its venture capital operations by the decision of Capital Market Board dated 5 October 2000. The principal activity of the Company is to perform long-term investments to venture capital companies mainly established or to be established in Turkey, have development potential and require resource. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 17,69%. The Company's headquarters is located at Istanbul/Turkey.
- VII. The existing or potential, actual or legal obstacle on the transfer of shareholder's equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities**
There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiaries. The Parent Bank charge or pay cost of the services according to the service agreements done between the Parent Bank and its subsidiaries. Dividend distribution from shareholders' equity is made according to related legal regulations.
- VIII. Written policies of the Parent Bank related to compliance to publicly disclosed obligations of the Parent Bank and assessment of accuracy, frequency and compliance of mentioned disclosures**
In the Parent Bank's disclosure policy, which has been approved by the Board of Directors and is accessible on the Parent Bank's corporate website, compliance with public disclosure obligations, the frequency of disclosures, and the tools and methods used for disclosure are explained.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Balance Sheet (Statement of Financial Position) As of 31 December 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

ASSETS	Section 5 Note I	Current Period 31 December 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (NET)		34,458,071	23,071,435	57,529,506	16,804,161	18,939,663	35,743,824
I.1 Cash and Cash Equivalents		10,133,811	14,456,065	24,589,876	2,050,475	10,680,524	12,730,999
I.1.1 Cash and Balances with Central Bank	(1)	474	5,702,663	5,703,137	772	2,879,653	2,880,425
I.1.2 Banks	(3)	296,522	8,763,049	9,059,571	98,215	7,805,658	7,903,873
I.1.3 Money Market Placements		9,840,648	-	9,840,648	-	1,952,629	-
I.1.4 Expected Credit Losses (-)		3,833	9,647	13,480	1,141	5,928	-
I.2 Financial Assets at Fair Value Through Profit or Loss	(2)	3,830,949	-	3,830,949	1,650,591	-	1,650,591
I.2.1 Government Debt Securities		-	-	-	-	-	-
I.2.2 Equity Instruments		194,125	-	194,125	146	-	146
I.2.3 Other Financial Assets		3,636,824	-	3,636,824	1,650,445	-	1,650,445
I.3 Financial Assets at Fair Value Through Other Comprehensive Income	(4)	19,513,176	7,707,771	27,220,947	12,407,139	5,897,387	18,304,526
I.3.1 Government Debt Securities		18,295,242	6,495,685	24,790,927	11,611,019	5,905,611	16,616,630
I.3.2 Equity Instruments		810,399	1,212,083	2,022,482	245,704	891,776	1,137,480
I.3.3 Other Financial Assets		407,535	-	407,535	550,416	-	550,416
I.4 Derivative Financial Assets	(2)	980,135	907,599	1,887,734	695,956	2,361,752	3,057,708
I.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		980,135	907,599	1,887,734	695,956	2,361,752	3,057,708
I.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		25,608,210	231,536,063	257,144,273	23,629,643	161,790,627	185,420,270
II.1 Loans	(5)	20,133,103	219,166,282	239,299,385	17,250,232	151,616,350	168,866,582
II.2 Lease Receivables	(10)	-	1,148,738	1,148,738	-	417,553	417,553
II.3 Factoring Receivables		-	-	-	-	-	-
II.4 Other Financial Assets Measured at Amortized Cost	(6)	9,864,686	17,515,762	27,380,448	9,949,963	14,269,752	24,219,715
II.4.1 Government Debt Securities		9,864,686	17,515,762	27,380,448	9,949,963	14,269,752	24,219,715
II.4.2 Other Financial Assets		-	-	-	-	-	-
II.5 Expected Credit Losses (-)	(16)	4,389,579	6,294,719	10,684,298	3,570,552	4,513,028	8,083,580
III. RELATED TO DISCONTINUED OPERATIONS (NET)		-	-	-	-	-	-
III.1 Held for Sale Purpose		-	-	-	-	-	-
III.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		5,741,985	-	5,741,985	4,361,542	-	4,361,542
IV.1 Investments in Associates (Net)	(7)	5,508,367	-	5,508,367	4,201,492	-	4,201,492
IV.1.1 Accounted Under Equity Method		5,508,367	-	5,508,367	4,201,492	-	4,201,492
IV.1.2 Unconsolidated Associates		-	-	-	-	-	-
IV.2 Subsidiaries (Net)	(8)	172,208	-	172,208	133,444	-	133,444
IV.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
IV.2.2 Unconsolidated Non-Financial Subsidiaries		172,208	-	172,208	133,444	-	133,444
IV.3 Entities under Common Control (Joint Venture) (Net)	(4)	61,330	-	61,330	26,606	-	26,606
IV.3.1 Joint Ventures Valued Based on Equity Method		61,330	-	61,330	26,606	-	26,606
IV.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(12)	4,255,952	-	4,255,952	3,156,735	-	3,156,735
VI. INTANGIBLE ASSETS (Net)	(13)	26,892	-	26,892	8,223	-	8,223
VI.1 Goodwill		1,005	-	1,005	1,005	-	1,005
VI.2 Other		25,887	-	25,887	7,218	-	7,218
VII. INVESTMENT PROPERTY (Net)	(14)	3,263,130	-	3,263,130	2,403,800	-	2,403,800
VIII. CURRENT TAX ASSET		4,894	-	4,894	2,679	-	2,679
IX. DEFERRED TAX ASSET	(15)	627,624	-	627,624	312,481	-	312,481
X. OTHER ASSETS (Net)	(17)	5,411,836	287,506	5,699,342	5,974,711	144,717	6,119,428
TOTAL ASSETS		79,398,514	254,895,004	334,293,518	56,653,975	180,875,007	237,528,982

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Balance Sheet (Statement of Financial Position) As of 31 December 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

LIABILITIES AND EQUITY	Section 5 Note II	Current Period 31 December 2025			Prior Period 31 December 2024		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(3)	2,726,682	190,891,683	193,618,365	29,916	123,981,589	124,002,505
III. MONEY MARKET BALANCES		5,615,593	5,042,268	10,657,861	4,814,176	1,319,277	6,133,453
IV. MARKETABLE SECURITIES ISSUED (Net)	(3)	-	60,593,749	60,593,749	1,950,424	51,561,928	53,512,352
IV.1 Bills		-	-	-	-	-	-
IV.2 Assets Backed Securities		-	-	-	1,950,424	-	1,950,424
IV.3 Bonds		-	60,593,749	60,593,749	-	51,561,928	51,561,928
V. BORROWER FUNDS		32,001	978,219	1,010,220	30,945	652,954	683,899
V.1 Borrower Funds		32,001	978,219	1,010,220	30,945	652,954	683,899
V.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	344,913	1,317,264	1,662,177	160,787	1,137,748	1,298,535
VII.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		344,913	1,317,264	1,662,177	160,787	1,137,748	1,298,535
VII.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(5)	84,274	-	84,274	41,552	-	41,552
X. PROVISIONS	(7)	1,524,507	140,896	1,665,403	2,320,251	84,762	2,405,013
X.1 Restructuring Provisions		-	-	-	-	-	-
X.2 Reverse for Employee Benefits		205,316	-	205,316	125,428	-	125,428
X.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
X.4 Other Provisions		1,319,191	140,896	1,460,087	2,194,823	84,762	2,279,585
XI. CURRENT TAX LIABILITY	(8)	527,154	-	527,154	457,912	-	457,912
XII. DEFERRED TAX LIABILITY	(8)	590,628	-	590,628	334,512	-	334,512
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
XIII.1 Held for Sale Purpose		-	-	-	-	-	-
XIII.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(10)	-	13,142,591	13,142,591	-	10,800,864	10,800,864
XIV.1 Loans		-	-	-	-	-	-
XIV.2 Other Debt Instruments		-	13,142,591	13,142,591	-	10,800,864	10,800,864
XV. OTHER LIABILITIES		2,111,434	2,165,937	4,277,371	820,001	3,885,684	4,705,685
XVI. SHAREHOLDERS' EQUITY	(11)	45,964,414	499,311	46,463,725	32,955,567	197,133	33,152,700
XVI.1 Paid-in capital		2,800,000	-	2,800,000	2,800,000	-	2,800,000
XVI.2 Capital Reserves		16,216	25,546	41,762	15,631	-	15,631
XVI.2.1 Share Premium		1,007	-	1,007	1,007	-	1,007
XVI.2.2 Share Cancellation Profits		-	-	-	-	-	-
XVI.2.3 Other Capital Reserves		24,539	-	24,539	14,624	-	14,624
XVI.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		5,123,626	336,295	5,459,921	4,159,403	230,008	4,389,411
XVI.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		929,853	163,016	1,092,869	381,975	(32,875)	349,100
XVI.5 Profit Reserves		24,900,972	-	24,900,972	14,793,249	-	14,793,249
XVI.5.1 Legal Reserves		661,745	-	661,745	664,389	-	664,389
XVI.5.2 Status Reserves		75,641	-	75,641	75,641	-	75,641
XVI.5.3 Extraordinary Reserves		24,160,667	-	24,160,667	14,050,300	-	14,050,300
XVI.5.4 Other Profit Reserves		2,919	-	2,919	2,919	-	2,919
XVI.6 Profit Or Loss		11,409,231	-	11,409,231	10,228,073	-	10,228,073
XVI.6.1 Prior Year Profit/Loss		85,514	-	85,514	6,091	-	6,091
XVI.6.2 Current Year Profit/Loss		11,323,717	-	11,323,717	10,221,982	-	10,221,982
XVI.7 Non-Controlling Interests		775,186	-	775,186	577,236	-	577,236
TOTAL LIABILITIES AND EQUITY		59,521,600	274,771,918	334,293,518	43,907,043	193,621,939	237,528,982

The accompanying notes are an integral part of these consolidated financial statements.



TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Off-Balance Sheet As of December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section 3)

		Current Period 31 December 2025			Prior Period 31 December 2024			
		Section 5 Note III	TL	FC	Total	TL	FC	Total
OFF-BALANCE SHEET ACCOUNTS								
OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-III)								
A.	GUARANTEES AND COLLATERALS	(1)	43.443.676	288.049.597	331.493.273	32.059.900	195.193.970	227.253.870
1.	Letters of Guarantee		1.407.459	13.519.330	14.986.989	2.818.370	5.808.518	8.626.889
1.1.	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee		1.407.459	13.519.330	14.986.989	2.818.370	5.808.518	8.626.889
1.2.	Bank Acceptances		-	-	-	-	-	-
1.2.1.	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2.	Other Bank Acceptance		-	-	-	-	-	-
1.3.	Letters of Credit		-	-	-	-	-	-
1.3.1.	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2.	Other Letters of Credit		-	-	-	-	-	-
1.4.	Refinancing Given as Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Securities Issued Purchase Guarantees		-	-	-	-	-	-
1.7.	Factoring Guarantees		-	-	-	-	-	-
1.8.	Other Guarantees		-	-	-	-	-	-
1.9.	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(1)	15.296.874	23.213.729	38.510.603	11.372.107	8.648.292	20.620.399
2.1.	Irrevocable Commitments		12.815.879	3.180.878	15.996.757	9.784.751	64.075	104.245.506
2.1.1.	Forward Asset Purchase and Sale Commitments		1.889.591	2.929.927	4.829.518	389.727	458.574	848.301
2.1.2.	Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3.	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
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		-	-	-	-	-	-
2.1.11.	Activities		-	-	-	-	-	-
2.1.12.	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.13.	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.14.	Other Irrevocable Commitments		10.926.288	88.117	11.014.405	9.395.024	39.897	9.434.921
2.2.	Revocable Commitments		2.480.995	20.032.851	22.513.846	1.587.356	8.007.537	9.994.893
2.2.1.	Revocable Loan Granting Commitments		2.480.995	20.032.851	22.513.846	1.587.356	8.007.537	9.994.893
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(2)	26.679.143	232.200.612	258.879.755	17.337.372	168.300.761	185.638.133
3.	Derivative Financial Instruments for Hedging Purposes		-	89.529.622	89.529.622	-	69.298.701	69.298.701
3.1.	Fair Value Hedge		-	89.529.622	89.529.622	-	69.298.701	69.298.701
3.1.1.	Cash Flow Hedge		-	-	-	-	-	-
3.1.2.	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2.	Held for Trading Transactions		26.679.143	16.072.990	169.350.133	17.337.372	99.002.060	116.339.432
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		2.455.063	18.107.875	12.562.938	386.659	524.487	911.146
3.2.1.1.	Forward Foreign Currency Transactions-Buy		4.228.669	9.057.101	11.295.770	128.629	183.357	451.662
3.2.1.2.	Forward Foreign Currency Transactions-Sell		2.216.394	9.050.774	11.267.167	341.130	341.130	494.494
3.2.2.	Swap Transactions Related to Foreign Currency and Interest Rate		21.500.076	123.377.455	144.837.212	16.906.413	98.261.432	115.817.485
3.2.2.1.	Foreign Currency Swap-Buy		889	40.169.129	49.178.118	853.917	29.963.582	29.967.493
3.2.2.2.	Foreign Currency Swap-Sell		18.100.061	39.712.422	48.814.083	11.767.384	17.124.992	28.892.376
3.2.2.3.	Interest Rate Swap-Buy		1.698.713	21.728.097	23.426.810	2.142.556	26.086.429	28.228.985
3.2.2.4.	Interest Rate Swap-Sell		1.698.713	21.728.097	23.426.810	2.142.556	26.086.429	28.228.985
3.2.3.	Foreign Currency, Interest Rate, and Securities Options		274.004	1.225.370	1.949.374	44.300	216.146	260.441
3.2.3.1.	Foreign Currency Options-Buy		362.002	612.821	974.823	22.150	108.083	130.203
3.2.3.2.	Foreign Currency Options-Sell		362.002	612.549	974.551	22.150	108.058	130.208
3.2.3.3.	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4.	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5.	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6.	Securities Options-Sell		-	-	-	-	-	-
3.2.4.	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1.	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2.	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5.	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES SECURITIES (IV+V+VI)		668.459.874	3.915.240.992	4.583.700.866	452.026.447	2.800.994.225	3.553.026.027
IV.	ITEMS HELD IN CUSTODY		14.879.512	6.460.011	21.339.523	7.214.087	2.766.786	10.080.873
4.1.	Customers' Securities Held		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		-	-	-	-	-	-
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		261.200	-	261.200	684.249	-	684.249
V.	PLEDGES ITEMS		637.380.085	3.141.913.554	3.779.218.359	429.592.082	2.269.144.441	2.698.736.523
5.1.	Marketable Securities		456.249	-	456.249	456.249	-	456.249
5.2.	Guarantee Notes		16.306	2.906.222	2.922.528	195.268	2.372.077	2.567.339
5.3.	Commodity		-	-	-	-	-	-
5.4.	Warranty		-	-	-	-	-	-
5.5.	Real Estate		172.766.182	829.681.126	1.002.447.316	118.446.897	631.496.822	749.943.719
5.6.	Other Pledged Items		404.066.068	2.309.326.074	2.773.392.144	310.493.668	1.635.275.548	1.945.769.216
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED BILL OF EXCHANGE AND COLLATERALS		16.275.587	766.807.427	783.142.984	15.120.278	529.082.998	544.203.276
TOTAL OFF-BALANCE SHEET ITEMS (A+B)			711.903.550	4.283.298.589	4.915.194.139	484.086.347	2.996.188.195	3.480.274.542

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Off-Profit and Loss As of December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section 3)

			Current Period January 1, 2025 – December 31, 2025	Prior Period January 1, 2024 – December 31, 2024
STATEMENT OF PROFIT OR LOSS			Note	
I.	INTEREST INCOME	(1)	37,142,909	30,331,870
1.1	Interest on Loans		22,769,991	18,262,818
1.2	Interest Received from Reserve Deposits		315	752
1.3	Interest Received from Banks		147,429	228,913
1.4	Interest Received from Money Market Placements		3,148,348	3,095,060
1.5	Interest Received from Marketable Securities Portfolio		10,553,360	8,418,653
1.5.1	Fair Value Through Profit or Loss		4,005	12,868
1.5.2	Fair Value Through Other Comprehensive Income		6,427,458	3,332,865
1.5.3	Measured at Amortized Cost		4,121,897	5,072,920
1.6	Finance Lease Income		46,069	45,584
1.7	Other Interest Income		477,397	280,090
II.	INTEREST EXPENSES (-)	(2)	19,282,262	14,476,771
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		9,304,356	7,996,312
2.3	Interest on Money Market Borrowings		4,798,138	2,573,237
2.4	Interest on Securities Loans		5,094,095	3,792,107
2.5	Leasing Interest Expense		22,121	10,028
2.6	Other Interest Expense		63,552	105,087
III.	NET INTEREST INCOME (I - II)		17,860,647	15,855,099
IV.	NET FEES AND COMMISSIONS INCOME / EXPENSES		832,651	819,727
4.1	Fees and Commissions Received		990,966	945,844
4.1.1	Non-cash Loans		288,078	204,190
4.1.2	Other		702,888	741,654
4.2	Fees and Commissions Paid (-)		158,315	126,117
4.2.1	Non-cash Loans		46,370	44,230
4.2.2	Other		111,945	81,887
V.	DIVIDEND INCOME	(3)	82,583	37,069
VI.	NET TRADING INCOME	(4)	(328,014)	(2,076,745)
6.1	Securities Trading Gains / (Losses)		846,704	111,243
6.2	Derivative Financial Instruments Gains / Losses		(12,606,638)	(1,425,632)
6.3	Foreign Exchange Gains / Losses (Net)		11,431,920	(762,356)
VII.	OTHER OPERATING INCOME	(5)	4,287,320	2,403,975
VIII.	GROSS OPERATING INCOME (III-IV+V+VI+VII)		22,735,187	17,839,125
IX.	EXPECTED CREDIT LOSSES (-)	(6)	4,323,619	558,872
X.	OTHER PROVISION EXPENSES (-)	(6)	90,000	330,000
XI.	PERSONNEL EXPENSES (-)	(7)	3,106,961	1,921,475
XII.	OTHER OPERATING EXPENSES (-)	(7)	1,611,972	1,372,912
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		13,602,635	12,855,866
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV.	PROFIT / (LOSS) ON EQUITY METHOD GAIN / (LOSS) ON NET MONETARY POSITION		1,466,796	1,043,304
XVI.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+XV)		15,069,431	13,899,170
XVII.	TAX PROVISION FOR CONTINUED OPERATIONS (+)	(8)	3,642,285	3,542,415
18.1	Provision for Current Income Taxes		4,118,416	2,487,822
18.2	Deferred Tax Income Effect (+)		2,290,558	2,130,956
18.3	Deferred Tax Expense Effect (-)		2,766,689	1,076,363
XIX.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII+XVIII)	(10)	11,427,146	10,356,755
XX.	INCOME ON DISCONTINUED OPERATIONS		-	-
20.1	Income on Assets Held for Sale		-	-
20.2	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
20.3	Income on Other Discontinued Operations		-	-
XXI.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Loss from Assets Held for Sale		-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
21.3	Loss from Other Discontinued Operations		-	-
XXII.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (+)		-	-
23.1	Provision for Current Income Taxes		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (XXII+XXIII)		-	-
XXV.	NET PROFIT/(LOSS) (XIX+XXIV)	(11)	11,427,146	10,356,755
25.1	Group's Profit / Loss		11,323,717	10,221,982
25.2	Minority Shares (-)		103,429	134,773
	Earnings / (loss) per share		4,044	3,651

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period January 1, 2025 – December 31, 2025	Prior Period January 1, 2024 – December 31, 2024
I.	CURRENT PERIOD INCOME / LOSS	11,427,146	10,356,755
II.	OTHER COMPREHENSIVE INCOME	1,909,855	971,778
2.1	Not Reclassified Through Profit or Loss	1,166,086	880,220
2.1.1	Property and Equipment Revaluation Increase / Decrease	936,461	845,499
2.1.2	Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain / Loss	(5,684)	(49,480)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	446,216	521,564
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(210,907)	(437,363)
2.2	Reclassified Through Profit or Loss	743,769	91,558
2.2.1	Foreign Currency Translation Differences	262,098	72,673
2.2.2	Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	687,868	29,565
2.2.3	Cash Flow Hedge Income / Loss	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(206,197)	(10,680)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	13,337,001	11,328,533

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

						Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss									
CHANGES IN SHAREHOLDERS' EQUITY		Note	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6 Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity	
Prior Period – December 31, 2024																		
I.	Prior Period End Balance		2.800.000	1.007	-	14.658	2.071.477	1.270	1.675.990	385.534	(127.992)	-	7.745.308	6.854.098	-	21.421.350	403.702	21.825.052
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2.800.000	1.007	-	14.658	2.071.477	1.270	1.675.990	385.534	(127.992)	-	7.745.308	6.854.098	-	21.421.350	403.702	21.825.052
IV.	Total Comprehensive Income		-	-	-	-	153.562	(34.421)	521.533	72.673	18.885	-	-	199.941	10.221.982	11.154.155	174.378	11.328.533
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	(34)	-	-	-	-	-	-	(7)	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	7.047.948	(7.047.948)	-	-	(844)	(844)
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(844)	(844)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.050.948	(6.050.948)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
Period-End Balance			2.800.000	1.007	-	14.624	2.225.039	(33.151)	2.197.523	458.207	(109.107)	-	14.793.249	6.091	10.221.982	32.575.464	577.236	33.152.700

1. Accumulated revaluation increase / decrease of fixed assets,

2. Accumulated remeasurement gain / loss of defined benefit pension plan

3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)

4. Foreign currency translation differences

5. Accumulated revaluation and/or remeasurement gain/loss of the financial asset at fair value through other comprehensive income

6. Other (cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss)

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity For the Period Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss																		Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss																	
CHANGES IN SHAREHOLDERS' EQUITY		Note	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity																	
Current Period – December 31, 2025																																			
I.	Prior Period End Balance		2.800.000	1.007	-	14.624	2.225.039	(33.151)	2.197.523	458.207	(109.107)	-	14.793.249	10.228.073	-	32.575.464	577.236	33.152.700																	
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
III.	Adjusted Beginning Balance (I+II)		2.800.000	1.007	-	14.624	2.225.039	(33.151)	2.197.523	458.207	(109.107)	-	14.793.249	10.228.073	-	32.575.464	577.236	33.152.700																	
IV.	Total Comprehensive Income		-	-	-	-	663.938	(3.765)	410.337	262.098	481.671	-	-	-	11.323.717	13.137.996	199.005	13.337.001																	
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
VII.	Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																	
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	(24.921)	-	-	(24.921)	-	(24.921)																	
XI.	Profit Distribution		-	-	-	9.915	-	-	-	-	-	-	10.132.644	(10.142.559)	-	-	(1.055)	(1.055)																	
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.055)	(1.055)																	
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	8.823.066	(8.823.066)	-	-	-	-																	
11.3	Other		-	-	-	9.915	-	-	-	-	-	-	1.309.578	(1.319.493)	-	-	-	-																	
Period-End Balance			2.800.000	1.007	-	24.539	2.888.977	(36.916)	2.607.860	720.305	372.564	-	24.900.972	85.514	11.323.717	45.688.539	775.186	46.463.725																	

1. Accumulated revaluation increase / decrease of fixed assets

2. Accumulated remeasurement gain / loss of defined benefit pension plan

3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)

4. Foreign currency translation differences

5. Accumulated revaluation and/or remeasurement gain/loss of the financial asset at fair value through other comprehensive income

6. Other (cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss)

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

	Note	Current Period 31 December 2025	Prior Period 31 December 2024
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		4.784.792	11.851.033
1.1.1 Interest Received		30.393.626	29.752.963
1.1.2 Interest Paid		(16.645.696)	(13.708.705)
1.1.3 Dividends Received		112.583	52.069
1.1.4 Fees and Commissions Received		990.966	945.844
1.1.5 Other Income		2.399.895	838.690
1.1.6 Collections from Previously Written off Loans		1.804.044	349.376
1.1.7 Payments to Personnel and Service Suppliers		(3.738.693)	(2.238.841)
1.1.8 Taxes Paid		(5.244.684)	(2.465.969)
1.1.9 Others		(5.287.249)	(1.674.394)
1.2 Changes in Operating Assets and Liabilities		8.759.149	(21.275.107)
1.2.1 Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(1.520.722)	(1.125.278)
1.2.2 Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3 Net (Increase) (Decrease) in Loans		(22.076.894)	(20.064.340)
1.2.4 Net (Increase) (Decrease) in Other Assets		(4.489.629)	(2.830.160)
1.2.5 Net (Increase) (Decrease) in Bank Deposits		-	-
1.2.6 Net (Increase) (Decrease) in Other Deposits		-	-
1.2.7 Net (Increase) (Decrease) in Financial Liabilities at Fair Value through Profit or Loss		-	-
1.2.8 Net (Increase) (Decrease) in Funds Borrowed		31.469.624	(411.520)
1.2.9 Net (Increase) (Decrease) in Matured Payable		-	-
1.2.10 Net (Increase) (Decrease) in Other Liabilities		5.376.770	3.156.191
I. Net Cash Provided by / (used in) Banking Operations		13.543.941	(9.424.074)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (used in) Investing Activities		(4.562.874)	(9.217.578)
2.1 Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		(200.000)	-
2.2 Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(201.355)	(97.454)
2.4 Disposals of Property and Equipment		19.222	698
2.5 Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(8.179.797)	(8.471.914)
2.6 Sale of Financial Assets at Fair Value through Other Comprehensive Income		2.352.170	1.843.538
2.7 Purchase of Financial Assets Measured at Amortized Cost		(33.357)	(3.194.001)
2.8 Sale of Financial Assets Measured at Amortized Cost		1.709.071	704.972
2.9 Others		(28.828)	(3.417)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided by / (used in) Financing Activities		(845.071)	15.350.447
3.1 Cash Obtained from Funds Borrowed and Securities Issued		15.345.651	27.297.517
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(16.109.698)	(11.881.103)
3.3 Capital Increase		-	-
3.4 Dividends Paid		(1.055)	(844)
3.5 Payments for Financial Leases		(79.969)	(65.123)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		611.435	386.165
V. Net Increase in Cash and Cash Equivalents		8.747.431	(2.905.040)
VI. Cash and Cash Equivalents at Beginning of the Period		9.552.995	12.458.035
VII. Cash and Cash Equivalents at End of the Period		18.300.426	9.552.995

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Profit Distribution For the Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

	Current Period 31 December 2025(1)	Prior Period 31 December 2024(4)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	14.821.728	13.678.968
1.2 TAXES AND DUTIES PAYABLE	3.438.935	3.544.369
1.2.1 Corporate Tax (Income tax)	3.988.859	2.371.538
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (3)	(549.924)	1.172.831
A. NET INCOME FOR THE YEAR (1.1-1.2)	11.382.793	10.134.599
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	1.309.915
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	11.382.793	8.824.684
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (pre-emptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (pre-emptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	8.824.684
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of preferred shares	-	-
2.2.3 To owners of preferred shares (pre-emptive rights)	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (2)		
3.1 TO OWNERS OF ORDINARY SHARES	4,07	3,15
3.2 TO OWNERS OF ORDINARY SHARES (%)	406,53	315,17
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(1) Since the dividend distribution proposal for 2025 to be submitted to the approval of the General Assembly has not yet been prepared by the Board of Directors, only the distributable profit amount is specified in the dividend distribution table for 2025.

(2) In the Income Statement and Profit Distribution Statement, one share is nominal for 1 penny and profit per share is calculated for 1 penny nominal share.

(3) Amounts for the current period are deferred tax income expenses and the previous period is deferred tax expense.

(4) The dividend distribution statement for the previous period was finalized by the Ordinary General Assembly resolution dated March 24, 2025, after the date of publication of the independently audited financial statements dated December 31, 2024, and was revised accordingly.

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

I.a Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Application and Maintaining the Documents

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets, liabilities and land and building revaluation model which are carried at fair value.

The consolidated financial statements and related explanations and footnotes included in this report have been prepared in accordance with the Regulation on the Procedures and Principles Regarding Banks' Accounting Applications and Document Retention and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency (BRSA) regarding the accounting and financial reporting principles of banks and the provisions of the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for matters not regulated by these (hereinafter collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). However, the TAS 29 "Financial Reporting in Hyperinflationary Economies" standard included in the TFRS is not applied to banks and financial leasing, factoring, financing, savings, financing and asset management companies as explained below.

The accounting policies and valuation principles used in the 2025 period of Group are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXIII below.

The format and content of the accompanying consolidated financial statements and footnotes have been prepared in accordance with the "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 consolidated financial statements and the explanatory footnotes, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL").

In accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies," Standard, entities whose functional currency is the currency of a hyperinflationary economy are required to restate their financial statements to reflect the purchasing power of the currency at the end of the reporting period. Pursuant to the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying the Turkish Financial Reporting Standards are required to present their annual financial statements for reporting periods ending on or after December 31, 2023, adjusted for inflation effects in accordance with the accounting principles set out in TAS 29. The same announcement further stated that regulatory and supervisory authorities authorized in their respective fields may determine different transition dates for the application of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BRSA), with its decision numbered 10744 dated December 12, 2023, decided that the financial statements of banks and financial leasing, factoring, financing, savings financing, and asset management companies as of December 31, 2023, would not be subject to inflation adjustment under TAS 29. According to the BRSA's decision numbered 10825 dated January 11, 2024, it was decided that banks and financial leasing, factoring, financing, savings financing, and asset management companies would transition to applying inflation accounting from January 1, 2025. However, the BRSA later announced, with its decision numbered 11021 dated December 5, 2024, that inflation accounting would not be applied in 2025. It was announced that at the Board meeting on December 18, 2025, it was decided to repeal the Board Decision No. 10825 dated January 11, 2024, and to prohibit banks and financial leasing, factoring, financing, savings financing, and asset management companies from applying inflation accounting. Accordingly, the Parent Bank did not apply TAS 29 inflation accounting in its financial statements for the period ended December 31, 2025..

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

I. Basis of presentation (continued)

I.b The valuation principles used in the preparation of the financial statements

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the Turkish Accounting Standards and related regulations, explanations and circulars on accounting and financial reporting principles announced by the BRSA. These accounting policies and valuation principles are explained in the below notes through II to XXIII.

Since the year-end financial statements prepared as of December 31, 2025 are intended to update the financial information contained in the most recent annual financial statements, the Parent Bank has made certain estimates in the calculation of expected credit losses and disclosed them in footnote IX "Disclosures on impairment of financial assets". In the following periods, the Parent Bank will update its relevant assumptions to the extent necessary and review the realization of its retrospective forecasts.

I.c The accounting policies for the correct understanding of the financial statements

The following accounting policies that applied according to BRSA regulations and TAS for the correct understanding of the financial statements and valuation principles used in preparation of the financial statements are presented in more detail below.

Changes in accounting policies and disclosures

The TAS/TFRS amendments, which entered into force effective January 1, 2025, do not have a significant impact on the Parent Bank's accounting policies, financial position and performance. Amendments to the TAS and TFRS, which have been published but have not entered into force as of the date of finalization of the financial statements, will not have a material impact on the Parent Bank's accounting policies, financial position and performance.

Additional paragraph for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation, as described in the preceding paragraphs, differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of TAS 29 - Financial Reporting in Hyperinflationary Economies as of December 31, 2025, and the differences between accounting principles have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flow of the Group in accordance with IFRS.

I.d The items for which different accounting policies were applied while preparing the consolidated financial statements and their ratios to the total of the related items in the consolidated financial statements

Different accounting policies are not applied while preparing the consolidated financial statements.

II. Explanations on usage strategy of financial assets and foreign currency transactions

The main sources of the funds of the Group have variable interest rates. The financial balances are monitored frequently, and fixed and floating interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

Since the great majority of the loans extended by the Group have flexibility of reflecting changes in the market interest rates to the customers, the interest rate risk is kept at minimum level. Moreover, the highly profitable Eurobond and the foreign currency government indebtedness securities portfolio have the attribute of eliminating the risks of interest rate volatility.

Interest rate risk is reduced by creating an asset composition of the resources used in accordance with the fixed/variable cost structure.

The fixed rate Subordinated bond, Eurobond issued by the Group and a portion of fixed rate funds borrowed are subject to fair value hedge accounting. The Bank enters into interest rate swap agreements to hedge the change in fair values of its fixed rate and cross currency financial liabilities. The changes in the fair value of the hedged fixed rate financial liabilities and hedging interest cross-currency rate swaps are recognized under the trading profit/loss.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

II. Explanations on usage strategy of financial assets and foreign currency transactions (continued)

In the beginning and later period of the hedging transaction, the hedging transactions are expected to offset changes occurred in the relevant period of the hedging transaction and hedged risk (attributable to hedging risk) and effectiveness tests are performed in this regard.

The Group performs effective test at the beginning of the hedge accounting and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied if the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized and recognized in income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

The Bank liquidity is regularly monitored. Moreover, the need for liquidity in foreign currencies is safeguarded by currency swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors' expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in placement decisions. The long-term placements are made under project finance. A credit policy is implemented in such a way that harmonizing the profitability of the projects, the collateral and the value add introduced by the Bank.

The movements of foreign exchange rates in the market, interest rates and prices are monitored instantaneously. While taking positions, the Bank's unique operating and control limits are watched effectively besides statutory limits. Limit overs are not allowed.

For hedge against exchange rate risk arising from foreign currency transactions, A balanced strategy is followed in terms of currency position; To hedge against parity risk, the current currency position is monitored according to a basket balance in certain currencies.

Exchange rate differences between revenues and expenses arising from foreign currency transactions were recorded in the period in which the transaction was carried out. At the end of the period, the balances of foreign currency active and passive accounts are calculated at the end of the period.

The Parent Bank is exposed to financial risk which depends on changes in foreign exchange rates and interest rates due to activities and as part of banking activities it uses derivative instruments to manage financial risk that especially associated with fluctuations in foreign exchange and interest rate. Mainly derivative instruments used by the Parent Bank are foreign currency forwards, swaps and option agreements.

The derivative financial instruments accounted for at their fair values as of the date of the agreements entered into and continue to be monitored at their fair value in subsequent reporting periods. Derivative financial instruments of the Parent Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income".

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on associates and subsidiaries

Explanations about the Parent Bank and its subsidiaries and associates subject to consolidation are described in General Information Section V.

IV. Explanations on forward and option contracts and derivative instruments

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions.

TFRS 9 provides the option of deferring the adoption of TFRS 9 hedge accounting and the option to continue to apply the provisions of TAS 39 hedge accounting in the selection of accounting policies. In this context, the Parent Bank continues to apply the provisions of TAS 39 hedge accounting. In the initial design of a derivative financial instrument as a hedge, the Parent Bank discloses in writing the relationship between the hedged item and the hedging instrument, the risk management objectives and strategies of the relevant hedge, and the methods to be used to measure the hedge's effectiveness. At the beginning of the association and during the ongoing process, the Parent Bank evaluates whether the hedging method is effective on the changes in the expected fair values of the related instruments during the period in which the method is applied, or whether the effectiveness of each hedge in the actual results is in the range of 80% - 125%.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SELECTION THREE(Continued)

ACCOUNTING POLICIES (Continued)

V. Explanations on associates and subsidiaries:

The Parent Bank's financial subsidiaries are reflected the consolidated financial statements according to the equity method in accordance with TAS 28 - Investment in Associates and Joint Ventures Related to the Turkish Accounting Standards. Unconsolidated and non-financial subsidiaries and associates are presented in the financial statements in accordance with the "TAS 27-Separate Financial Statements" standard with accounted for using the equity method in the consolidated financial statements.

VI. Explanations on interest income and expenses

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 "Financial Instruments" standard by applying an accrual basis using the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

In accordance with IFRS 9, interest accrued and discounts on non-performing loans and other receivables as of the transfer date are not cancelled. These amounts are recorded as interest income, and an expected loss provision is calculated based on these amounts within the scope of the relevant methodology.

VII. Explanations on fees and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted on the accrual basis of accounting throughout the service period. Income from asset purchases to a third party or by natural or legal persons contracts are recognized in the period they occur.

VIII. Explanations on financial assets

Initial recognition of financial instruments

Initial recognition of financial instruments the Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way to purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets(continued)

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instrument shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Assessment of business model

As per TFRS 9, the Parent Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on the intent of the management on an individual financial intermediary, so the condition is not a classification approach based on a financial instrument but an evaluation by combining the financial assets. When the business model used for the management of financial assets is being evaluated, all evidence is considered. Such evidence includes the following:

- How the performance of financial assets held by the business model and business model is reported by the key executive personnel,
- Risks affecting the performance of the business model (financial assets held within the business model) and, type of management and
- How the additional payments to the managers are determined (for example, whether additional payments are determined according to the fair value of the assets being managed or on the contractual cash flows collected).

Business model evaluation is not based on scenarios in which the operator is not expected to be at a reasonable level, such as the "worst case" or "pressure case" scenarios. The same business model does not require a change in the classification of other financial assets as long as the cash flows are realized differently from the expected future date when the business model is assessed, the error correction is made in the financial statements or all relevant information available at the time of the valuation of the business model is taken into account. However, when evaluating the business model for newly created or newly acquired financial assets, information about how past cash flows have been considered along with other relevant information is also considered. The business models that comprise the bet are composed of three categories. These categories are as follows:

- Business model aimed to hold assets to collect contractual cash flows: This is a model whose objective is to hold assets to collect contractual cash flows are managed to realize cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortized cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Business model whose objective is to hold assets in order to collect contractual cash flows: The Parent Bank may hold financial assets in this business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets(continued)

Financial assets held under this business model are accounted for at fair value through other comprehensive income if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance on certain dates.

- Other Business Models: Financial assets are measured at fair value through profit or loss in case they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss and derivative financial assets are assessed in this business model.

The contractual cash flows including solely principal and interest on principle

As per TFRS 9, the Parent Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In a basic lending agreement, the time value of money and the consideration of credit risk are often the most important element of interest. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities

Financial assets are classified compliance with TFRS 9 in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost

a. Financial assets at the fair value through profit or loss:

Financial assets whose fair value difference is reflected in profit/loss, financial assets managed by other models other than the business model aimed at retaining contractual cash flows to collect and the business model aimed at collecting and selling contractual cash flows, and the contractual terms of the financial asset do not lead to cash flows that include interest payments arising only from the principal and principal balance on certain dates; are financial assets that are acquired in order to profit from fluctuations in price and similar factors that occur in the market in the short term, or that are part of a portfolio intended to make a profit in the short term, regardless of the reason for which they are obtained. Financial assets whose fair value difference is reflected in profit/loss are recorded with their fair values and are subject to valuation with their fair values following their registration. The gains and losses resulting from the valuation are included in the profit / loss calculations. In line with the Uniform Chart of Accounts (CIP) statements, the positive difference between the cost of acquisition and the discounted value of the financial asset is in "Interest Income", if the fair value of the asset is above the discounted value, the positive difference is in the "Capital Market Operations Profits" account, and if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is "Capital Market Operations Losses" account. In the event that the financial asset is disposed of before maturity, the gains or losses incurred are recognized within the same principles.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets(continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

“Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss” under shareholders’ equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, and less provision for impairment.

During initial recognition an entity can choose in a irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

c. Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

In the “Fair value through other comprehensive income” and “measured at amortized cost” securities portfolio of the Parent Bank, there are Consumer Price Indexed (CPI) Bonds.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets(continued)

c. Financial Assets Measured at Amortized Cost (continued) :

The Parent Bank considered expected inflation index of future cash flows prevailing at the reporting date while calculating internal rate of return of the Consumer Price Indexed (CPI) marketable securities. The effect of this application is accounted as interest received from marketable securities in the consolidated financial statements. These securities are valued and accounted for using the effective interest method, based on real coupon rates and an index calculated using the reference inflation index and the estimated inflation rate at the time of issue. The effect arising from this practice is accounted for in the financial statements under "Interest income from securities".

As stated in the Turkish Ministry of Treasury and Finance's Investor Guide to CPI-Indexed Bonds, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of the two-month prior. The parent bank also determines its estimated inflation rate accordingly. The estimated inflation rate, taking into account the expectations of the Central Bank of the Republic of Turkey and the parent bank, is updated as needed throughout the year.

At the end of the year, the actual inflation rate is used.

d. Loans:

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method". Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

Turkish Lira ("TL") cash loans are composed of foreign currency indexed loans and working capital loans; foreign currency ("FC") cash loans are composed of investment loans, export financing loans and working capital loans.

All loans of the Parent Bank has classified under Measured at Amortized Cost, after loan portfolio passed the test of "All cash flows from contracts are made only by interest and principal" during the transition period.

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the income statement.

IX. Explanations on impairment of financial assets

As of January 1, 2018, loss allowance for expected credit losses is recognised on financial assets and loans measured at amortized cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss based on TFRS 9 and regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans".

At each reporting date, it shall be assessed whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, it shall be used the change in the risk of a default occurring for the financial instrument.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

IX. Explanations on impairment of financial assets(continued)

Calculation of expected credit losses

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Risk parameters used in TFRS 9 calculations are included in the future macroeconomic information. While macroeconomic information is included, macroeconomic forecasting models and multiple scenarios used in the Internal Capital Assessment Process ("ICAAP") are considered.

The Parent Bank uses internal rating systems for loan portfolio. The internal rating models used include customer financial information and knowledge of survey responses based on expert judgement. Probability of default calculation has been carried out based on past information, current conditions and forward-looking macroeconomic parameters.

Financial assets are divided into three categories depending on the increase in credit risk observed since their initial recognition:

Stage 1:

The financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

IX. Explanations on impairment of financial assets(continued)

Calculation of expected credit losses (continued)

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. Calculation of expected credit losses is similar to descriptions above, but probability of default and loss given default rates are estimated through the life of the instrument.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized, and interest revenue is calculated on the net carrying amount. The probability of default is taken into account as 100%. Provision amounts for risks classified in Stage 3 are also determined using an individual assessment calculation.

The default assessment of the Parent Bank is made according to the following conditions:

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default in the Parent Bank and its consolidated financial subsidiaries is based on a more than 90 days past due definition.
2. Subjective Default Definition: It means the conviction that the debt will not be paid. If the borrower is deemed to be unable to perform its obligations on the loan, the borrower should be considered in default, regardless of whether there is a pending balance or the number of days of default.

Debt instruments measured at fair value through other comprehensive income

In accordance with TFRS 9, impairment provisions are applied for financial assets measured at fair value through other comprehensive income when recognizing and measuring expected loss provision. However, the carrying amount of the financial asset at fair value through other comprehensive income is not reduced in the statement of financial position. The expected loss provision is recognized in other comprehensive income and when the related financial asset is derecognized, the expected loss provision previously recognized in other comprehensive income is classified in the income statement.

Significant increase in credit risk

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to "12-month expected credit losses". However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Bank measures loss allowance regarding such instrument at an amount equal to "lifetime expected credit losses".

The Parent Bank considers the following key criteria in determining which financial assets will be classified as Stage 2 (Significant Increase in Credit Risk) due to a significant increase in credit risk.

- Loans overdue more than 30 days as of the reporting date
- Loans classified as watchlist
- When there is a change in the payment plan due to restructuring

Expected credit loss provisions are calculated by making "Collective" or "Individual" assessments according to the nature of the receivables.

Three scenarios—base, bad, and very bad—are used in forward-looking expectations, and these scenarios are weighted based on given probabilities.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

X. Explanation on the Netting of Financial Instruments

Financial assets and liabilities are offset when a legally enforceable right to set off or when the Parent Bank has the intention of collecting or paying the net amount of related assets and liabilities, and they are shown in financial statements with their net amounts. Otherwise, there is not offsetting transaction about financial assets and liabilities.

XI. Explanations on sales and repurchase agreements and lending of securities

Funds provided under repurchase agreements are accounted under "Funds Provided under Repurchase Agreements-TL" and "Funds Provided under Repurchase Agreements-FC" accounts.

Repurchase agreements (repo) are carried out using the financial instruments specified in the "Regulation on the Principles Regarding Repo and Reverse Repo Transactions to be Conducted by Banks". Marketable securities subject to repurchase agreements are classified under assets at fair value through profit or loss, assets at fair value through comprehensive income financial or assets at measured at amortized costs with parallel to classifications of instruments. The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement. Receivables from reverse repurchase agreements are recorded in "Receivables from Reverse Repurchase Agreements" account in the balance sheet.

XII. Explanations on assets held for sale and discontinued operations

Assets that meet the criteria to be classified as held for sale; Book values and costs to be incurred for sales are measured by the lower of their fair value, which has been deducted. Depreciation on these assets is stopped, and these assets are presented separately on the balance sheet. In order for an asset to be an asset held for sale; The relevant asset (or group of assets to be disposed of) must be in a position to be sold immediately within the framework of common and customary conditions and the probability of sale must be high. In order for the probability of sales to be high; A plan for the sale of the asset (or group of assets to be disposed of) must have been made by an appropriate management level and an active program for the identification of buyers and completion of the plan must have been initiated. In addition, the asset (or group of assets to be disposed of) must be actively marketed at a price that is compatible with its fair value. In addition, the sale must be expected to be recognized as a completed sale within one year from the date of classification, and the actions required to complete the plan must demonstrate that significant changes to the plan are unlikely to be made or the plan will be canceled.

Various events or circumstances can extend the completion time of the sale transaction to more than one year. Assets will continue to be classified as assets held for sale if the delay was caused by events or circumstances beyond the control of the entity and there is sufficient evidence that the entity's plan to sell the relevant asset (or group of assets to be disposed of) is in progress.

A discontinued activity is a division of a bank that is classified as being disposed of or held for the purpose of sale. Results for discontinued operations are presented separately in the income statement.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XIII. Explanations on goodwill and other intangible assets

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the subsidiary or jointly controlled interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period on disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Intangible assets are presented at their purchase cost, and for items purchased in subsequent periods, at their purchase cost, with accumulated amortization and depletion allowances, as well as permanent impairments, separated. Intangible assets are depreciated on a straight-line basis over their expected useful lives. Depreciation methods and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights, and they are depreciated principally on a straight-line basis between 1-15 years.

XIV. Explanations on tangible assets

Tangible fixed assets other than real estate are reflected at their purchase cost, after deducting accumulated depreciation and permanent impairments. Gain or loss resulting from disposals of the tangible assets is reflected in the income statement as the difference between the net proceeds and net book value. Normal maintenance and repair expenses incurred on property, plant and equipment are recognized as expense.

As of the third quarter of 2015, the Group changed its accounting policy and adopted revaluation method on annual basis under scope of Standard on Tangible Fixed Assets (TAS 16) with respect to valuation of immovable included in its building and lands. The amortization periods of real estate are specified in the appraisal's report. In case of the cost of tangible assets over the net realizable value estimated under the "Turkish accounting standards for impairment of assets" (TAS 36), the value of the asset is reduced to its "net realizable value" and are reserved impairment provision associated with expense accounts. The positive difference between appraisement value and net book value of the property is accounted under shareholder's equity. Related valuation models such as cost model, market value and discounted cash flow projections approaches are used in valuation of real estates. There is no pledge, mortgage or any other line on tangible assets. Tangible assets are depreciated with straight-line method, and their useful lives are determined in accordance with the Turkish Accounting Standards.

Depreciation rates and estimated useful lives of tangible assets are as follows.

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XIV. Explanations on tangible assets (continued)

Tangible Assets	Expected Useful Lives (Years)	Depreciation Rate (%)
Cashvaul	4-50	2-25
Vehicles	5	20
Buildings	50	2
Other Tangible Assets	1-50	2-100

Investment Properties

Investment properties are real estate held to earn rent income, gain in value or both. An investment property is recognized as an asset if it is probable that future economic benefits related to the property will be available to operate and the cost of the investment property can be reliably measured. The fair value model has been chosen for valuation of investment properties. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

XV. Explanations on leasing transactions

TFRS 16 Leases

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same. The Bank has started to apply "TFRS 16 Leases" Standard starting from 1 January 2019. The Bank has applied TFRS 16 with a simplified retrospective approach. The new accounting policies of the Group regarding application to TFRS 16 are stated below:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes

- the amount of lease liabilities recognised,
- lease payments made at or before the commencement date less any lease incentives received, and
- All initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XV. Explanations on leasing transactions (Continued)

TFRS 16 Leases (Continued)

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which were not paid at the commencement date of the lease:

- Fixed payments,
- Variable rental payments based on an index or rate, the initial measurement of which is made using an index or rate on the date the lease actually begins,
- Amounts expected to be paid by the Group under residual value commitments
- If the parent company is reasonably confident that the Group will exercise the purchase option, the exercise price of this option and
- Penalty payments for termination of the lease if the lease term shows that the Group will exercise an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period when the event or condition that triggers the payment occurs. The Group uses the revised discount rate for the remainder of the lease term, as this rate if the implied interest rate in the lease can be easily determined; If it cannot be determined easily, the Group determines it as the alternative borrowing interest rate at the date of reassessment.

After the lease actually commenced, the Group measures the lease liability as follows:

- Increase the carrying amount to reflect interest on the lease liability, and
 - Decreases book value to reflect lease payments made.
- In addition, if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to purchase the underlying asset, the value of the finance lease liabilities is remeasured.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

SECTION THREE (Continued) ACCOUNTING POLICIES (Continued)

XVI. Explanations on provisions and contingent liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If aforesaid criteria did not form, the Group discloses the issues mentioned in notes to financial statements. Provisions are determined by using the Parent Bank's best expectation of expenses in fulfilling the obligation and discounted to present value if material.

Explanations on contingent assets

Contingent assets consist of unplanned or other unexpected events that usually cause a possible inflow of economic benefits to the Group. Since recognition of the contingent assets in the financial statements would result in the accounting of an income, which may never be generated, the related assets are not included in the financial statements; on the other hand, if the inflow of the economic benefits of these assets to the Parent Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Parent Bank is almost certain, the related asset and the respective income are recognized in the financial statements of the period in which the change occurred.

XVII. Explanations on liabilities regarding employee benefits

According to the provisions of the current laws and collective bargaining agreements in Turkey, severance pay is paid in case of retirement or dismissal. The group records the severance pay provision by estimating the present value of its likely future liability in the event of retirement or dismissal. There are no severance and notice payments obligations arising from employees employed on a fixed-term contract whose contract will expire more than 12 months from the date of the balance sheet. Actuarial losses and gains incurred after January 1, 2013 are recognized under shareholders' equity in accordance with the revised TAS 19 standard.

Employees of the parent Bank, Industrial Development Bank of Turkey Joint Stock Company, Civil Servants and Contractors Assistance and Pension Foundation and Members of the Industrial Development Bank of Turkey are members of the Munzam Social Security and Assistance Foundation ("Funds"). The technical financial statements of the said Funds are audited by an actuary registered in the register of actuaries in accordance with the provisions of the Insurance Law and the "Regulation on Actuaries" issued pursuant to this law.

A temporary article published in the Official Gazette No. 32121 dated March 3, 2023 was added to the Social Insurance and General Health Insurance Law dated May 31, 2006 and numbered 5510. In the provisional article in question, "Those who request for monthly bonding after the effective date shall be entitled to old-age or pension in accordance with the provisions of subparagraph (B) of the first paragraph of the provisional Article 81 of the Law No. 506, the second paragraph of the provisional Article 10 of the Law No. 1479, the subparagraph (B) of the first paragraph of the provisional Article 2 of the Law No. 2925 and the provisional Article 205 of the Law No. 5434, they shall benefit from old-age or pension if they meet other conditions other than age in the said provisions. No retrospective payment shall be made on the basis of this paragraph, and no retrospective rights shall be claimed." In this context, the members of the pension fund have the opportunity to retire early as of April 1, 2023. This change has no significant impact on the Bank's financials and funds

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on liabilities regarding employee benefits (continued)

The first paragraph of the provisional Article 23 of the Banking Law No. 5411 ("Banking Law") published in the Official Gazette dated November 1, 2005 and numbered 25983 contains the provision that bank funds shall be transferred to the Social Insurance Institution within 3 years from the date of publication of the Banking Law. According to the Banking Law; A commission consisting of representatives from various organizations shall calculate the liability according to actuarial calculations, considering the income and expenses of the fund, on the basis of the circuit for each ballot box. The specified obligation shall be paid for equal annual installments for not more than 15 years. However, the said article of the Banking Law was annulled by the Constitutional Court's decision dated March 22, 2007, E. 2005/39, K. 2007/33 published in the Official Gazette dated March 31, 2007 and numbered 26479, and its validity was suspended as of the date of publication of the decision, and the reasoned decision on the cancellation of the relevant paragraph was published in the Official Gazette dated December 15, 2007 and numbered 26731.

Following the publication of the Constitutional Court's reasoned decision on the annulment, the relevant articles of the Social Security Law No. 5754 regulating the principles regarding the transfer of the Principal Bank fund participants to the Social Security Institution were adopted by the TGNA on April 17, 2008 and entered into force by being published in the Official Gazette dated May 8, 2008 and numbered 26870.

The Social Security Law provides that the cash value of the liability in relation to the transferred persons as of the date of transfer; that the technical interest rate to be used in the actuarial account shall be 9,80% shall be determined by a commission consisting of representatives of Republic of Turkey Ministry of Treasury and Finance, the Social Security Institution, the Ministry of Finance, the Undersecretariat of the State Planning Organization, the BRSA, the SDIF, the Bank and the Funds, if the income and expenses of the funds in respect of the insurance branches covered by the Social Security Law and the monthly and revenues paid by the funds are above the monthly and revenues within the framework of the regulations of the Social Security Institution. It stipulates that it will be calculated taking into account the differences and that the transfer will be completed within a period of 3 years starting from January 1, 2008.

Within the scope of the Provisional Article 20 of Article 73 of the Social Security Law No. 5754 dated April 17, 2008 ("Law") published in the Official Gazette dated May 8, 2008 and numbered 26870; It is envisaged that the ballot boxes will be transferred to the SSI within three years following the publication of the law.

With the amendment in the first paragraph of the Provisional Article 20 of the Social Insurance and General Health Insurance Law No. 5510 published in the Official Gazette dated March 8, 2012 and numbered 28227, the 2-year postponement authority granted to the Council of Ministers was extended to 4 years. With the decision of the Council of Ministers published in the Official Gazette dated April 9, 2011 and numbered 27900, it was decided to extend the transfer process for 2 years. Accordingly, the transfer had to be completed by 8 May 2013. This time, with the Decision of the Council of Ministers No. 2013/467 published in the Official Gazette dated May 3, 2013 and numbered 28636, this period is extended for another 1 year and the transfer must be completed by May 8, 2014. However, since the transfer procedures did not take place, it was decided to extend the period for the transfer for another year with the Decision of the Council of Ministers published in the Official Gazette No. 28987 dated April 30, 2014.

In accordance with the provision of the Law on Occupational Health and Safety dated April 4, 2015 and numbered 6645, which was published in the Official Gazette dated April 23, 2015 and numbered 29335 and entered into force, and the Law on the Amendment of Some Laws and Decree Laws, the Council of Ministers was authorized to determine the transfer date to the Social Security Institution and the transfer of the ballot boxes was postponed to an unknown date..

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on liabilities regarding employee benefits (continued)

This authority has passed to the President by Decree Law No. 703 published in the Official Gazette No. 30473 dated July 9, 2018. In accordance with the Social Security Law, after the transfer of the monthly and/or income to the participants of the ballot boxes and their beneficiaries to the Social Security Institution, the other social rights and payments of these persons that are not covered despite being included in the foundation deed to which they are subject will continue to be covered by the organizations employing the participants of the chests and the polling stations.

As of December 31, 2025, the cash value of the principal obligations of the parent company Bank for the Assistance and Pension of Civil Servants and Contractors of TSKB A.Ş. Civil Servants and Contractors Assistance and Pension Foundation was calculated by an independent actuary using the actuarial assumptions specified in the Law and according to the actuary's report dated January 23, 2026, no technical or actual deficit requiring provision as of December 31, 2025 was identified. In addition, the management of the Parent Bank foresees that the amount of possible liability that may arise during and after the transfer to be made within the framework specified above will be at a level that can be met by the assets of the Fund and will not impose any additional burden on the Parent Bank.

XVIII. Explanations on taxation

Corporate income tax consists of the sum of current tax expense and deferred tax income or expense.

The tax liability for the current year is calculated on the taxable portion of the profit for the period. Taxable profit is calculated by considering items of income or expenses that are taxable or deductible from the tax base, as well as items that cannot be taxed or deducted from the tax base. Taxable profit therefore differs from the profit stated in the income statement.

Amendments were made to the Corporate Tax Law No. 5520 with the Law published in the Official

Gazette dated 27 November 2024. Accordingly, Starting from the declarations to be submitted as of October 1, 2023, the corporate tax rate has been arranged as 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

In the financial statements dated 31 December 2025, 30% was used as the tax rate in the period tax calculations.

In addition, with the amendment to the law, the tax exemption specified for real estate sales profits has been abolished, but the corporate tax exemption rate to be applied to the profits obtained from the sales of real estates included in the assets of the enterprises before July 15, 2023 will be applied as 25%. With the Law published in the Official Gazette dated November 27, 2024, amendments were made to Corporate Tax Law No. 5520. Accordingly, The corporate tax exemption rate applied to the profits arising from the sale of the participation shares that have been in the assets of the institutions for at least two full years and the founder's certificates, usufruct certificates, preemptive rights and participation shares of investment funds that they have held for the same period has been rearranged as 50%.

The entirety of the income earned from the transfer of real estate, participation shares, founder bonds, dividend shares and pre-emptive rights owned by institutions that are subject to legal proceedings due to their debts to banks, financial leasing or financing companies or that are indebted to the Savings Deposit Insurance Fund, and their guarantors and mortgages 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. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (Continued)

With the Presidential Decree published in the Official Gazette dated 22 December 2024 and numbered 32760, the withholding rate applied to dividends was changed from 10% to 15%. Based on this regulation, the current withholding rate is taken into account in dividend payments made to individuals and limited taxpayer institutions, taking into account the Double Taxation Avoidance Agreements

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied as of the 2025 accounting period. "The institution of the Minimum Corporate Tax has been introduced with Law No. 7524, and a regulation has been made regarding the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject.

Turkey has started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with a Bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations entered into force with the laws published in the Official Gazette on August 2, 2024. The practice in Turkey is largely compatible with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. The secondary regulation regarding the calculation details and application method has not been published yet. In the preliminary assessments made by considering the regulations published by the OECD, it is assessed that the said regulations will not have any impact on the financials.

Within the scope of Article 298 of the Tax Procedure Code, it is stipulated that if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current accounting period, the financial statements will be subject to inflation adjustment and these conditions have been fulfilled as of December 31, 2021.

However, the Law No. 7352 "On the Amendment of the Tax Procedure Law and the Corporate Tax Law" published in the Official Gazette dated January 29, 2022 and numbered 31734 and the provisional Article 33 were added to the Tax Procedure Law No. 213 and the accounting periods of 2021 and 2022, including the temporary tax periods (as of the accounting periods ending in 2022 and 2023 for those who were assigned special accounting periods) and the 2023 accounting period within the scope of Article 298. It has been enacted that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the financial statements dated December 31, 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the profit/loss differences arising from the inflation adjustment will be shown in the profit/loss account of previous years. December 28, 2023 and published in the Official Gazette No. 32413, Some Laws and Decrees with the Force of Law No. 7491 on the Amendment of the Law No. 17, Banks, companies in accordance with the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies dated November 21, 2012 and No. 6361, payment and electronic money institutions, authorized exchange institutions, asset management companies, the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies, pay and electronic money institutions, asset management companies, it has been enacted that profit/loss differences arising from the inflation adjustment to be made by capital market institutions, insurance and reinsurance companies and pension companies in the accounting periods of 2024 and 2025, including temporary tax periods, will not be taken into account in the determination of earnings. The President is authorized to extend the periods determined within the scope of this paragraph up to an accounting period, including temporary tax periods

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (Continued)

With the Communiqué on the Amendment of the General Communiqué on the Tax Procedure Law No. 547 (serial no. 537) published in the Official Gazette dated January 14, 2023, and numbered 32073, the procedures and principles of the articles of the law that allow the revaluation of immovables and depreciable economic assets have been rearranged. Accordingly, the Bank has revalued some of its assets on its balance sheet until 30 September 2023, provided that the conditions set forth in the provisions of the Provisional Article 32 of the Tax Procedure Law and the Repetitive Article 298/c are met. As of December 31, 2023, no revaluation was implemented due to the fact that the financial statements were subject to inflation adjustment as of December 31, 2023. In this context, corporate tax is calculated by taking into account the depreciation allocated on the values of the revalued assets subject to revaluation until September 30, 2023.

Law No. 7571, published in the Official Gazette dated December 25, 2025, and numbered 33118, stipulates that inflation adjustment will not be applied to the 2025 accounting period, including the provisional tax periods related to this period, as well as the 2026 and 2027 accounting periods, regardless of whether the conditions are met. Since the periods for which inflation adjustment will not be applied (including periods extended within the scope of the authority) are considered as periods where the conditions for inflation adjustment have not been met, revaluation may be applied to depreciable assets in these periods in accordance with Article 298/c of the Tax Procedure Law. Accordingly, the parent bank has revalued a portion of its assets on its balance sheet using the 25.49% revaluation rate announced for the relevant year.

Deferred tax liability or assets are determined by calculating the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts considered in the calculation of the legal tax base, according to the balance sheet method, by considering the legal tax rates

According to Article 298/c of the Tax Procedure Law, tax effects arising from revaluation in the financial statements as of December 31, 2025, have been included in the deferred tax calculation as of December 31, 2025.

Deferred tax is recognized for Stage 1 and Stage 2 expected credit provisions.

Except for goodwill or business combinations, deferred tax liability or assets are not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of deferred tax assets are reviewed as of each balance sheet date. Carrying value of deferred tax assets are reduced to the extent that it is not probable that a taxable profit will be obtained to allow some or all the deferred tax assets to be benefited. Deferred tax is calculated over the tax rates valid in the period when assets are created or liabilities are fulfilled and recorded as expense or income in the income statement.

However, if the deferred tax is related to assets directly associated with equity in the same or a different period, it is directly associated with the equity account group. Deferred tax receivables and liability are netted off. Pursuant to Article 53 of the Banking Law dated October 19, 2005 and numbered 5411, all of the special provisions set aside for loans and other receivables are considered as an expense in the determination of the corporate tax base in the year they are allocated pursuant to the second paragraph of the same article.

Transfer pricing

The issue of transfer pricing is regulated by Article 13 of the Corporate Tax Law titled "Distribution of Implicit Earnings through Transfer Pricing", and detailed explanations on the subject are included in the "General Communiqué on Implicit Profit Distribution through Transfer Pricing". Pursuant to these regulations, in the event that goods or services are purchased or sold with related persons/organizations at the price determined in violation of the arm's length principle, the gain is deemed to be distributed implicitly through transfer pricing and the distribution of earnings of this nature is not subject to deduction in terms of corporate tax

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIX. Additional explanations on borrowings

The parent bank obtains funds from domestic and foreign institutions when needed, and resorts to debt instruments such as syndication, secured borrowing, and bond issuance, securing resources from individuals and entities located both domestically and abroad.

Instruments representing debt are recorded at their acquisition cost on the transaction date and subsequently valued at their discounted value using the internal rate of return method. A portion of the fixed-interest bonds issued by the parent bank and a portion of the fixed-interest funds it utilizes are subject to fair value hedging accounting. The credit risk and accumulated interest related to these hedged liabilities are discounted and recorded in the income statement as interest expense; while the net amount excluding credit risk and accumulated interest, resulting from the application of hedging accounting, is valued using the fair value method and recorded in the income statement as profit/loss from derivative financial transactions.

XX. Explanations on share certificates issued

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 24, 2025, it was approved that TL 1,300,000 from the net profit for 2024 be allocated to a special fund for the purpose of acquiring venture capital investment funds, that the TL 9,915 profit from the sale of subsidiaries realized in 2024 be held in a special account in equity, and that the remaining amount be set aside as extraordinary reserve.

In line with the decision taken at the Ordinary General Assembly meeting held on March 28, 2024, it was approved that 5% of the net profit of 2023 would be set aside as legal reserves, TL 997.000 would be set aside as a special fund for the purpose of purchasing venture capital investment funds, and the remaining portion would be set aside as extraordinary reserves.

XXI. Explanations on acceptances

Acceptances are realized simultaneously with the payment dates of the customers, and they are presented as commitments in the off-balance sheet accounts.

XXII. Explanations on government incentives

The parent company, the Bank, has not received any government grants in the current or previous period.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXIII. Explanations on segment reporting

In accordance with its mission, the main shareholder Bank operates mainly in the fields of corporate banking and investment banking. Corporate banking provides financial solutions and banking services to medium and large corporate clients. Services offered to corporate customers include foreign trade transactions services covering investment loans, project finance, business loans on TL and foreign currency basis, letters of credit, letters of guarantee, and externally guaranteed letters of guarantee.

Investment banking operating income includes revenues from Treasury transactions and Corporate Finance activities. Within the scope of investment banking activities, in addition to the fund management of the Parent Bank, all kinds of corporate finance services are offered to corporate customers along with Securities brokerage transactions, cash management and derivative transactions.

The segmental allocation of the Group's net profit, total assets and total liabilities are shown below.

Current Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	6.263.058	10.807.296	790.293	17.860.647
Net Fees and Commission Income	293.717	139.248	399.686	832.651
Other Income	1.657.002	-	4.179.697	5.836.699
Other Expense	(4.778.947)	(839.800)	(3.841.819)	(9.460.566)
Profit Before Tax	3.434.830	10.106.744	1.527.857	15.069.431
Tax Provision				(3.642.285)
Net Profit				11.427.146
Group's profit / loss				11.323.717
Minority share profit / loss				103.429
Current Period	Corporate Banking	Investment Banking	Other	Total
Segment Assets	225.285.371	81.283.063	21.983.179	328.551.613
Investment in Associates and Subsidiaries	-	-	5.741.905	5.741.905
Total Assets	225.285.371	81.283.063	27.725.084	334.293.518
Segment Liabilities	261.079.331	12.308.109	14.442.353	287.829.793
Shareholders' Equity	-	-	46.463.725	46.463.725
Total Liabilities	261.079.331	12.308.109	60.906.078	334.293.518

Prior Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	5.384.395	9.720.542	750.162	15.855.099
Net Fees and Commission Income	205.319	301.873	312.535	819.727
Other Income	389.929	-	3.094.419	3.484.348
Other Expense	(916.948)	(2.291.927)	(3.051.129)	(6.260.004)
Profit Before Tax	5.062.695	7.730.488	1.105.987	13.899.170
Tax Provision				(3.542.415)
Net Profit				10.356.755
Group's profit / loss				10.221.982
Minority share profit / loss				134.773
Prior Period	Corporate Banking	Investment Banking	Other	Total
Segment Assets	158.390.390	57.279.469	17.497.581	233.167.440
Investment in Associates and Subsidiaries	-	-	4.361.542	4.361.542
Total Assets	158.390.390	57.279.469	21.859.123	237.528.982
Segment Liabilities	186.363.381	3.280.524	14.732.377	204.376.282
Shareholders' Equity	-	-	33.152.700	33.152.700
Total Liabilities	186.363.381	3.280.524	47.885.077	237.528.982

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations related to consolidated shareholders' equity

The capital adequacy standard ratio has been calculated in accordance with the Regulation on Equities of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Banks and the BRSA decision numbered 11038 dated 19 December 2024. Within the framework of the said Board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of 28 June 2024, while the equity item has been calculated without taking into account the negative net valuation differences of the securities acquired on or before 1 January 2024 and included in the "Securities at Fair Value Through Other Comprehensive Income" portfolio. The Group's capital adequacy standard ratio calculated as of 31 December 2025 is 25,01% (31 December 2024: 26,44).

	Consolidated Current Period	Consolidated Prior Period
CORE EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	1.007	1.007
Reserves	24.900.972	14.793.249
Other comprehensive income according to TAS	7.049.416	5.174.692
Profit	11.409.231	10.228.073
Current Period Profit	11.323.717	10.221.982
Prior Period Profit	85.514	6.091
Bonus shares from associates, subsidiaries and joint ventures not accounted in current period's profit	-	-
Minority shareholder	775.186	577.236
Core Equity Tier I Capital Before Deductions	46.936.186	33.574.631
Deductions from Core Equity Tier I Capital		
Valuation adjustments calculated as per the 1 st clause of article 9 (i) of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	345.985	268.452
Leasehold improvements on operational leases	11.544	9.683
Goodwill (net of related tax liability)	1.005	1.005
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	25.887	7.218
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net amount of defined benefit plans	-	-
Investments in own common equity	-	-

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Shares obtained against article 56, paragraph 4 of Banking Law	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank does not own 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I capital	1.414.361	1.121.984
Mortgage servicing rights not deducted	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of Provisional Article 2 of the Regulation on the Equity of Banks	-	-
The amount of overage resulting from net long positions of investments in the core capital elements of banks and financial institutions in which more than 10% of the shareholding is owned and not consolidated	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I capital in cases where there are no adequate additional Tier I or Tier II capitals	-	-
Total Regulatory Adjustments to Tier I Capital	1.798.782	1.408.342
Core Equity Tier I Capital	45.137.404	32.166.289
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in core equity and related share premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	12.800.760	10.519.950
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	12.800.760	10.519.950
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above tier i capital	-	-
The total of net long position of the direct or indirect investments in additional Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities will not deduct from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Core Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	12.800.760	10.519.950
Total Tier I Capital (Tier I Capital+Core Equity Tier I Capital + Additional Tier I Capital)	57.938.164	42.686.239
TIER II CAPITAL		
Debt instruments and the related issuance premiums defined by the BRSA	-	-
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.693.900	1.882.408
Tier II Capital Before Deductions	2.693.900	1.882.408
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Common Equity Tier I capital (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.693.900	1.882.408
Total Capital (The sum of Tier I Capital and Tier II Capital)	60.632.064	44.568.647
Deductions from Total Capital		
Loans granted against the articles 50 and 51 of the banking law	-	-
Net book values of movables and immovables exceeding the limit defined in the article 57, clause 1 of the Banking law and the assets acquired against overdue receivables and held for sale but retained more than five years	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	60.632.064	44.568.647
Total Risk Weighted Assets	242.391.992	168.595.101
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	18,62	19,08
Tier I Capital Adequacy Ratio (%)	23,90	25,32
Capital Adequacy Ratio (%)	25,01	25,01
BUFFERS		
Total buffer requirement (%)	2,506	2,508
Capital conservation buffer requirement (%)	2,500	2,500
Bank specific counter-cyclical buffer requirement (%)	0,006	0,008
Systematic significant buffer (%)	-	-
The ratio of Additional Core Equity Tier I capital which will be calculated by the first paragraph of Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	14,12	14,58
Amounts below the Excess Limits as per the Deduction Principles		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% or less of the issued share capital	4.577.658	3.271.104
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	36.996	-

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Limits Related to Provisions Considered in Tier II Calculation		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	6.627.408	4.966.267
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.693.900	1.882.408
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (To be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-
Limits Related to Provisions Considered in Tier II Calculation	-	-

Explanations on the reconciliation between amounts related to equity items and on balance sheet

There are no differences between the amounts related to consolidated equity items and on balance sheet figures.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders' equity (continued)

Information on debt instruments to be included in the equity calculation

Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
Governing law(s) of the instrument	Regulation on Equity of Banks (Official Gazette Date: 05.09.2013 Official Gazette Number: 28756) Capital Markets Board Debt Instruments Communiqué VII-128.8 (Official Gazette Date: 07.06.2013 Official Gazette Number: 28670)
Consideration in Equity Calculation	
Subject to 10% deduction as of 1/1/2015	None
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	The loan to be included in the additional Tier 1 capital calculation
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date – Million USD)	300
Par value of instrument (Million USD)	300
Accounting classification	347001 (Liability) - Subordinated Bonds
Original date of issuance	21 March 2024
Perpetual or dated	Undated
Original starting and maturity date	21 March 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	There is an back payment option for the first 5 years (after the 5th year) on 21 March 2029
Subsequent call dates, if applicable	After the 5th year, the relevant option can be used. If it is not used after the 5th year, it can be used at every 5th Anniversary.
Interest/dividend payments	
Fixed or floating dividend/coupon	Fixed / semiannually coupon payment, principal payment at the maturity
Coupon rate and any related index	9,75%
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory	Partially optional.
Existence of step up or other incentive to redeem	None.
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	
If write-down, write-down trigger(s)	None
If write-down, full or partial	Full and Partial
If write-down, permanent or temporary	Permanent and temporary
If temporary write-down, description of write-up mechanism	None.
Position in subordination hierarchy in liquidation (Specify instrument type immediately senior to instrument)	After contribution capitals
In compliance with article number 7 and 8 of "Own fund regulation"	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.
Details of incompliances with article number 7 and 8 of "Own fund regulation"	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk

The sectoral distributions of the loans are reported to the Board of Directors on a monthly basis and limitations are made according to the conjuncture. No geographical restrictions apply. Monitoring and controls are carried out regarding the transactions made for Treasury purposes. Risk limits have been determined in relation to the transactions carried out.

The credit worthiness of loan customers is monitored by the Credit Allocation Department and is regularly reviewed every six months. The credit worthiness of borrowers is monitored at regular intervals in accordance with the relevant legislation. Account status documents are obtained as stipulated in the relevant legislation. Credit limits are determined by the Board of Directors, the bank credit committee and the credit management. The parent company Bank receives sufficient collateral for its loans and other receivables. The guarantees received consist of personal bail, real estate mortgage, cash blockage and customer checks.

Limits have also been set for transactions with banks. Credit risks are managed within the framework of the counterparty's credit worthiness and limits.

Definitions of delinquent and depreciated loans, as well as explanations of value adjustments and provisions, are given in footnote X of Chapter Four.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

The total amount of risks incurred after offset transactions, regardless of the effects of credit risk reduction, and the average amount of risks disaggregated according to different risk classes and types for the relevant period

	Current Period		Prior Period	
	Risk Amount (1)	Average Risk Amount (2)	Risk Amount (1)	Average Risk Amount (2)
Exposures to sovereigns and their central banks	51.472.479	52.321.836	39.038.328	32.047.457
Exposures to regional and local governments	-	15	-	-
Exposures to administrative bodies and noncommercial entities	26.905	93.054	232.482	327.924
Exposures to multilateral development banks	225.777	207.795	106.747	64.367
Exposures to international organizations	-	-	-	-
Exposures to banks and securities firms	24.158.510	16.252.999	14.651.015	13.825.651
Exposures to corporates	207.500.912	198.020.084	144.621.373	138.996.884
Retail exposures	-	-	-	-
Exposures secured by property	4.347.270	3.471.504	3.198.999	1.295.422
Past due receivables	1.476.268	655.219	457.704	745.540
Exposures in higher-risk categories	155.195	126.272	6.909	7.012
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Equity investments in the form of collective investment undertakings	3.698.534	2.005.220	1.627.653	619.295
Equity investments	5.988.213	5.646.032	4.173.443	3.854.447
Other exposures	14.769.189	11.496.046	11.554.829	9.690.840

(1) Includes total risk amounts before the effect of credit risk mitigation.

(2) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

Control limits exist on positions held in future and options contracts and similar contracts. These limits are continuously monitored by bank management. Credit risk is managed together with potential risks arising from market movements. Credit risk, market risk, liquidity risk, and other risks are considered. When the bank is significantly exposed to credit risk, it reduces the total risk by quickly terminating futures and similar contracts through the exercise of rights, performance of obligations, or sale. Compensated non-cash loans are subject to the same risk weighting as loans that are overdue and unpaid.

Apart from the monitoring method determined by the relevant legislation for renewed and restructured loans, the Bank's internal rating process involves changing the existing rating of the relevant company and taking all necessary measures for risk classification. The Bank monitors concentration based on maturity and examined risks that deviate from the normal course. Transactions abroad are conducted with numerous correspondent banks in many countries. Counterparty limits have been established for transactions with banks. As an active participant in the international banking market, the Bank does not have a significant concentration of credit risk when considered alongside the financial activities of other financial institutions.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

The share of the Group's risks from the top 100 and 200 cash loan customers in the total cash loans portfolio is as follows; 77,28% and 94,51% (December 31, 2024: 79,33% and 95,23%).

The share of the Group's risks from the top 100 and 200 non-cash loan customers in the total non-cash loans portfolio is as follows; 87,83% and 87,83% (December 31, 2024: 87,72% and 87,72%).

The share of the amount of cash and non-cash risk from the first 100 and 200 credit customers of the Group in the total balance sheet and in the regular accounts, respectively; 75,48% and 94,48% (December 31, 2024: 78,39% and 94,89%).

For the credit risk assumed by the Group, the expected loss provision for stage 1 and phase 2, measured in accordance with the IFRS 9 projected loss model, is TL 6.641.073 (December 31, 2024: TL 5.013.806).

Credit risk is assessed according to Parent Bank's internal rating model. While the rating of the customers outside the financial sector in the loan portfolio is made with the internal rating model, the ratings of the customers included in the financial sector are matched to the internal ratings of the Parent Bank given by the external rating agencies.

Rated cash loans, non-cash loans and finance lease receivables rated by internal rating model is given table below for the current period.

Loan Quality Categories	Current Period(%)	Prior Period(%)
Above Average Grade	41,36	42,56
Average Grade	49,73	45,97
Below Average Grade	6,81	9,47
Impaired	2,10	2,00
Total	100,00	100,00

As of December 31, 2025, there are no loans under close monitoring with a delay of 31 days or more. (December 31, 2024: None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Profile of significant exposures in major region

Current Period	Risk Types (1)																Total
	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	
Domestic	51.420.919	-	5.420	-	-	17.949.855	184.923.594	-	4.347.010	1.476.268	35.503	-	-	3.698.534	1.537.461	13.536.927	278.931.491
European Union (EU) Countries	-	-	-	133	-	526.815	16.273	-	-	-	-	-	-	-	184.536	107.212	834.969
OECD Countries (2)	-	-	-	68.080	-	736.592	485.713	-	-	-	-	-	-	-	-	-	1.290.385
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	120.965	-	983.520	-	-	-	-	-	-	-	-	-	-	1.104.485
Other Countries	-	-	-	36.599	-	3.765	2.055	-	-	-	-	-	-	-	-	-	42.419
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.266.216	-	4.266.216
Unallocated Assets/Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	51.420.919	-	5.420	225.777	-	20.200.547	185.427.635	-	4.347.010	1.476.268	35.503	-	-	3.698.534	5.988.213	13.644.139	286.469.965

(1) Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

(2) Includes OECD countries other than EU countries, USA and Canada

(3) Includes asset and liability items that cannot be allocated on a consistent basis

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Profile of significant exposures in major region (continued)

	Risk Types (1)																	
Prior Period	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	Total	
Domestic	39,040,549	-	46,757	-	-	9,769,961	131,440,053	-	3,198,999	457,704	2,720	-	-	1,627,654	272,309	10,347,631	196,204,337	
European Union (EU) Countries	-	-	-	196	-	81,150	-	-	-	-	-	-	-	-	688,182	109,801	879,329	
OECD Countries (2)	-	-	-	21,229	-	475,592	418,624	-	-	-	-	-	-	-	-	-	915,445	
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
USA, Canada	-	-	-	66,468	-	401,782	-	-	-	-	-	-	-	-	-	-	468,250	
Other Countries	-	-	-	18,854	-	4,057	5,404	-	-	-	-	-	-	-	-	-	28,315	
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,212,952	-	3,212,952	
Unallocated Assets/Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	39,040,549	-	46,757	106,747	-	10,732,542	131,864,081	-	3,198,999	457,704	2,720	-	-	1,627,654	4,173,443	10,457,432	201,708,628	

(1) Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion

(2) Includes OECD countries other than EU countries, USA and Canada.

(3) Includes asset and liability items that cannot be allocated on a consistent basis

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Risk profile by sectors or counterparties

	Risk Types (1)																		
Current Period	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertaking	Equity investments	Other exposures	TL	FC	Total
Agriculture	-	-	-	-	-	-	1.404.354	-	-	-	15	-	-	-	-	340	47.895	1.356.814	1.404.709
Farming and Stockbreeding	-	-	-	-	-	-	1.404.354	-	-	-	15	-	-	-	-	-	47.555	1.356.814	1.404.369
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	137.592.401	-	2.864.866	1.457.050	7.352	-	-	-	-	185.000	12.993.742	129.112.927	142.106.669
Mining and Quarrying	-	-	-	-	-	-	640.174	-	-	-	-	-	-	-	-	-	392	639.782	640.174
Production	-	-	-	-	-	-	65.227.758	-	2.591.706	1.276.495	7.349	-	-	-	-	185.000	6.844.670	62.443.638	69.288.308
Electricity, Gas and Water	-	-	-	-	-	-	71.724.469	-	273.160	180.555	3	-	-	-	-	-	6.148.680	66.029.507	72.178.187
Construction	-	-	-	-	-	-	5.460.913	-	897.771	-	28.136	-	-	-	-	1.174.479	2.073.134	5.488.165	7.561.299
Services	4.385.353	-	5.419	225.777	-	20.200.547	36.305.033	-	584.373	19.218	-	-	-	3.698.534	5.988.213	1.004.518	25.418.272	46.998.713	72.416.985
Wholesale and Retail Trade	-	-	-	-	-	-	2.138.535	-	-	19.218	-	-	-	-	-	-	492.294	1.665.459	2.157.753
Accommodation and Dining	-	-	-	-	-	-	4.950.629	-	45.543	-	-	-	-	-	61.330	-	107.211	4.950.291	5.057.502
Transportation and Telecommunication	-	-	-	-	-	-	8.049.158	-	538.830	-	-	-	-	-	4.966	-	544.365	8.048.589	8.592.954
Financial Institutions	4.385.353	-	5.419	225.777	-	20.200.547	12.355.552	-	-	-	-	-	-	3.698.534	5.739.472	1.004.518	22.216.956	25.398.216	47.615.172
Real Estate and Rental Services	-	-	-	-	-	-	1.873.023	-	-	-	-	-	-	-	-	-	1.873.023	-	1.873.023
Professional Services	-	-	-	-	-	-	168.460	-	-	-	-	-	-	-	182.445	-	184.423	166.482	350.905
Educational Services	-	-	-	-	-	-	204.452	-	-	-	-	-	-	-	-	-	-	204.452	204.452
Health and Social Services	-	-	-	-	-	-	6.565.224	-	-	-	-	-	-	-	-	-	-	6.565.224	6.565.224
Others	47.035.566	-	1	-	-	-	4.664.934	-	-	-	-	-	-	-	-	11.279.802	40.224.254	22.756.049	62.980.303
Total	51.420.919	-	5.420	225.777	-	20.200.547	185.427.635	-	4.347.010	1.476.268	35.503	-	-	3.698.534	5.988.213	13.644.139	80.757.297	205.712.668	286.469.965

(1) Since there is no securitization position, the risk class of "Securitization positions" is not included. Credit conversion ratio and risk amounts after credit risk reduction are included.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (Continued)

Risk profile by sectors or counterparties (Continued)

	Risk Types (1)																		
Prior Period	Exposures to sovereigns and their central banks	Exposures to regional and local governments	Exposures to administrative bodies and noncommercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due receivables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity investments	Other exposures	TL	FC	Total
Agriculture	-	-	-	-	-	-	62.772	-	-	-	16	-	-	-	-	340	356	62.772	63.128
Farming and Stockbreeding	-	-	-	-	-	-	62.772	-	-	-	16	-	-	-	-	-	16	62.772	62.788
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	95.088.649	-	1.521.544	149.194	2.684	-	-	-	-	185.001	10.569.174	86.377.898	96.947.072
Mining and Quarrying	-	-	-	-	-	-	1.338.065	-	-	-	-	-	-	-	-	-	2.292	1.335.773	1.338.065
Production	-	-	-	-	-	-	42.165.375	-	1.311.774	5.169	41	-	-	-	-	185.001	4.475.430	39.191.930	43.667.360
Electricity, Gas and Water	-	-	-	-	-	-	51.585.209	-	209.770	144.025	2.643	-	-	-	-	-	6.091.452	45.850.195	51.941.647
Construction	-	-	-	-	-	-	3.493.530	-	682.133	289.029	20	-	-	-	-	-	293.589	4.171.123	4.464.712
Services	2.870.125	-	46.755	106.747	-	10.732.542	29.933.253	-	995.322	19.481	-	-	-	1.627.654	4.173.443	2.002.940	13.108.380	39.399.882	52.508.262
Wholesale and Retail Trade	-	-	-	-	-	-	1.627.019	-	50.626	19.481	-	-	-	-	-	-	424.938	1.272.188	1.697.126
Accommodation and Dining	-	-	-	-	-	-	3.678.942	-	234.000	-	-	-	-	-	26.606	-	43.280	3.896.268	3.939.548
Transportation and Telecommunication	-	-	-	-	-	-	8.155.582	-	643.841	-	-	-	-	-	5.167	1.174.479	1.180.215	8.798.854	9.979.069
Financial Institutions	2.870.125	-	46.755	106.747	-	10.732.542	8.889.659	-	-	-	-	-	-	1.627.654	3.999.357	828.461	9.516.292	19.585.008	29.101.300
Real Estate and Rental Services	-	-	-	-	-	-	1.937.731	-	-	-	-	-	-	-	-	-	1.799.646	138.085	1.937.731
Professional Services	-	-	-	-	-	-	263.566	-	-	-	-	-	-	-	142.313	-	144.009	261.870	405.879
Educational Services	-	-	-	-	-	-	232.187	-	-	-	-	-	-	-	-	-	-	232.187	232.187
Health and Social Services	-	-	-	-	-	-	5.148.567	-	66.855	-	-	-	-	-	-	-	-	5.215.422	5.215.422
Others	36.170.424	-	2	-	-	-	3.285.877	-	-	-	-	-	-	-	-	8.269.151	30.334.764	17.390.690	47.725.454
Total	39.040.549	-	46.757	106.747	-	10.732.542	131.864.081	-	3.198.999	457.704	2.720	-	-	1.627.654	4.173.443	10.457.432	54.306.263	147.402.365	201.708.628

(1) Since there is no securitization position, the risk class of "Securitization positions" is not included. Credit conversion ratio and risk amounts after credit risk reduction are included.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Analysis of maturity-bearing exposures according to remaining maturities

Risk Types	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
Current Period (1)					
Exposures to sovereigns and their central banks	5.281.978	1.839.960	1.042.372	1.783.215	41.469.193
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	5.394	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	13.894.714	3.405.679	855.791	130.206	1.133.842
Exposures to corporates	3.306.404	4.355.075	6.861.811	9.158.666	160.301.628
Retail exposures	-	-	-	-	-
Exposures secured by property	1.493	2.845	65.035	104.117	4.173.260
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	-	-	-	-	35.384
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	4.233.776	804	1.202	3.890	11.146
Total	26.723.759	9.604.363	8.826.211	11.180.094	207.124.453

(1) Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Analysis of maturity-bearing exposures according to remaining maturities (continued)

Risk Types	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Prior Period (1)					
Exposures to sovereigns and their central banks	2.442.316	30.306	2.501.177	1.856.688	32.209.094
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	46.741	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	7.638.258	516.627	859.482	30.170	1.556.540
Exposures to corporates	3.026.823	5.809.825	8.734.114	7.832.088	106.298.417
Retail exposures	-	-	-	-	-
Exposures secured by property	72.748	2.845	14.822	99.381	3.009.203
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	-	-	-	-	2.087
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	3.182.724	883	1.161	3.335	2.380
Total	16.409.610	6.360.486	12.110.756	9.821.662	143.077.721

(1) Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Disclosures on credit risk

In determining the risk weights of the risk classes specified in Article 6 of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, the international ratings of Fitch Ratings International Rating and JCR Avrasya Derecelendirme A.Ş. are used.

The ratings given by Fitch Ratings are used for receivables from banks and intermediary institutions whose counterparty is a resident of abroad and for receivables from central governments and central banks in the risk classes. The ratings given by JCR Avrasya Derecelendirme A.Ş. are used for receivables from banks and intermediary institutions whose counterparties are resident domestically and corporate receivables are included in the risk classes and for receivables that are denominated in TL. Other receivables from domestic residents who are not included in this scope are considered as ungraded. Credit ratings for these risk classes are not used for other assets from the borrower.

The table matching the ratings used in the calculations to the credit quality grades is given below:

Credit Quality Level	1	2	3	4	5	6
Grade	AAA with AA-	A+ with A-	BBB+ with BBB-	BB+ with BB-	B+ with B-	CCC+ and below

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Exposures by risk weights

Current Period												
Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	Deductions from Equity
Amount Before Credit Risk Mitigation (1)	51.646.695	-	21.699.368	-	17.509.688	-	192.133.385	28.223	-	4.577.658	-	1.465.407
Amount After Credit Risk Reduction	51.646.696	-	21.699.368	-	21.877.857	-	186.640.163	28.223	-	4.577.658	-	1.465.407

(1) Risk amounts are given before the effects of Credit Risk Mitigation and after the conversion rate to credit.

Prior Period												
Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	Deductions from Equity
Amount Before Credit Risk Mitigation (1)	39.145.075	-	12.390.807	-	13.952.429	-	132.832.414	483.621	-	3.271.104	-	1.139.890
Amount After Credit Risk Reduction	39.147.296	-	12.390.807	-	17.156.660	-	129.259.140	483.621	-	3.271.104	-	1.139.890

(1) Risk amounts are given before the effects of Credit Risk Mitigation and after the conversion rate to credit.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information of major sectors or type of counterparties

The Parent Bank's all impaired and non-performing receivables comprise of domestic receivables.

Current Period	Loans (1)		Provisions
Major Sectors / Counterparties	Impaired		Expected Credit Losses (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Defaulted (Stage 3)	
Agriculture	-	28.469	28.469
Farming and Stockbreeding	-	28.469	28.469
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	10.396.336	4.022.148	6.433.159
Mining and Quarrying	-	-	-
Production	462.976	3.360.546	2.196.094
Electricity, Gas and Water	9.933.360	661.602	4.237.065
Construction	5.499.874	1.436.926	2.722.311
Services	603.138	233.549	391.309
Wholesale and Retail Trade	523.855	48.043	185.982
Accommodation and Dining	-	-	-
Transportation and Telecommunication	79.283	174.160	193.981
Financial Institutions	-	11.346	11.346
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	449.026	-	22.451
Total	16.948.374	5.721.092	9.597.699

(1) Includes breakdown of cash loans and financial lease receivables.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information of major sectors or type of counterparties (continued)

Prior Period	Loans (1)		Provisions
Major Sectors / Counterparties	Impaired		Expected Credit Losses (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Defaulted (Stage 3)	
Agriculture	-	28.151	28.148
Farming and Stockbreeding	-	28.151	28.148
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	4.476.254	1.959.313	3.624.464
Mining and Quarrying	-	-	-
Production	818.075	11.448	282.108
Electricity, Gas and Water	3.658.179	1.947.865	3.342.356
Construction	2.960.061	1.452.674	2.449.119
Services	3.633.754	240.349	989.322
Wholesale and Retail Trade	392.797	48.700	147.061
Accommodation and Dining	-	-	-
Transportation and Telecommunication	3.240.957	184.177	834.789
Financial Institutions	-	7.472	7.472
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	327.711	-	14.420
Total	11.397.780	3.680.487	7.105.473

(1) Includes breakdown of cash loans and financial lease receivables.

Information related with value adjustments and loan loss provisions

Current Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	3.226.936	2.681.708	(1.657.276)	-	4.251.368
Stage 1-2 Provisions	5.013.805	1.897.922	(270.654)	-	6.641.073

Prior Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	3.164.387	533.797	(471.248)	-	3.226.936
Stage 1-2 Provisions	5.317.871	903.954	(1.208.019)	-	5.013.806

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Exposures Subject to Countercyclical Capital Buffer

The geographical distribution of receivables from the private sector is taken into account for Calculation of Bank specific Counter Cyclical Capital Buffer with the scope of Capital Conservation and Counter-Cyclical Capital Buffers Regulation which is published on the Official Gazette no.28812 dated November 5, 2013 and sub-arrangements is given table below.

Information about receivables from consolidated private sector:

Current Period Country risk taken ultimately	Private Sector Loans in Banking Book	Risk Weighted Amount calculations for Trading Book	Total
United States	16.655	-	16.655
England	492.393	-	492.393
Luxembourg	291.748	-	291.748
Saudi Arabia	2.055	-	2.055
Austria	16.273	-	16.273
Türkiye	207.594.278	33.375	207.627.653
Total	208.413.402	33.375	208.446.777

Prior Period Country risk taken ultimately	Private Sector Loans in Banking Book	Risk Weighted Amount calculations for Trading Book	Total
United States	348	-	348
England	421.045	-	421.045
Luxembourg	797.983	-	797.983
Saudi Arabia	5.404	-	5.404
Türkiye	145.475.479	33.375	145.508.854
Total	146.700.259	33.375	146.733.634

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated currency risk

The exchange rate risk to which the parent company, the Bank, is exposed is shaped by the difference between its foreign currency and foreign currency-indexed assets and its foreign currency-denominated liabilities. On the other hand, the value changes of different currencies relative to each other emerge as another dimension of exchange rate risk.

The exchange rate risk table within the scope of the standard method, and the results are reported to the official authorities and the Bank's senior management. Thus, exchange rate risk is closely monitored.

The position limit for currency risk is calculated in accordance with the terms of the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis".

As part of the overall market risk, currency risk is also considered in the calculation of the Standard Ratio of Capital Adequacy. As part of the overall market risk, currency risk is also considered in the calculation of the Standard Ratio of Capital Adequacy.

Announced current foreign exchange buying rates of the Bank as at reporting date and the previous five working days in US Dollar and Euro are as follows:

	1 US Dollar	1 Euro
The Parent Bank's "Foreign Exchange Valuation Rate"		
December 31, 2025	42,6692	50,0766
Prior Five Workdays:		
December 30, 2025	42,6858	50,2668
December 29, 2025	42,6759	50,1741
December 26, 2025	42,4983	50,0715
December 25, 2025	42,5460	50,1022
December 24, 2025	42,5532	50,1872

The basic arithmetic average values of the Bank for the last thirty days from the date of the financial statement of the current exchange rate in US Dollars and Euros are 42,4089 and 49,6715 in full TL, respectively.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated currency risk (continued)

Information on the Group's foreign currency risk:

Current Period	Euro	US Dollar	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	223.737	5.478.926	-	5.702.663
Banks (8)	1.333.180	7.395.797	24.425	8.753.402
Financial Assets at Fair Value Through Profit or Loss (1)	320.940	241.220	-	562.160
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	3.555.846	4.151.925	-	7.707.771
Loans (2)	121.385.018	92.948.181	-	214.333.199
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost (3)	1.351.290	16.152.372	-	17.503.662
Derivative Financial Assets for Hedging Purposes (4)	-	420.106	-	420.106
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (5)	102.191	152.345	-	254.536
Total Assets	128.272.202	126.940.872	24.425	255.237.499
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	492.761	4.549.507	-	5.042.268
Funds Provided From Other Financial	86.523.571	104.368.112	-	190.891.683
Marketable Securities Issued	-	73.736.340	-	73.736.340
Miscellaneous Payables	420.454	1.663.338	13.189	2.096.981
Derivative Financial Liabilities for Hedging Purposes (4)	(38)	95.203	-	95.165
Other Liabilities (6)	616.940	1.042.893	-	1.659.833
Total Liabilities	88.053.688	185.455.393	13.189	273.522.270
Net Balance Sheet Position	40.218.514	(58.514.521)	11.236	(18.284.771)
Net Off-Balance Sheet Position	(39.500.444)	57.339.981	102	(17.839.639)
Financial Derivative Assets	9.146.549	64.413.280	257.997	73.817.826
Financial Derivative Liabilities	(48.646.993)	(7.073.299)	(257.895)	(55.978.187)
Non-Cash Loans (7)	18.809.521	13.825.735	-	32.635.256
Prior Period				
Total Assets	71.352.352	108.187.133	414.967	179.954.452
Total Liabilities	44.047.089	148.881.014	374.230	193.302.333
Net Balance Sheet Position	27.305.263	(40.693.881)	40.737	(13.347.881)
Net Off -Balance Sheet Position	(27.068.889)	39.686.533	(36.477)	12.581.167
Financial Derivative Assets	1.676.607	42.569.830	861.540	45.107.977
Financial Derivative Liabilities	(28.745.496)	(2.883.297)	(898.017)	(32.526.810)
Non-Cash Loans (7)	4.666.145	13.578.772	-	18.244.917

(1) The exchange rate difference rediscout of derivative financial transactions amounting to TL 129.333 has been deducted from the "Financial Assets Reflected in Fair Value Difference Profit or Loss".

(2) The loans provided include TL 307.084 of FX-indexed loans, TL 1.148.738 of Financial Lease Receivables, TL 1.344 of Frozen Receivables and TL (1.344) of Default (Third Stage/Special Provision). (TL 6.287.561)) of the 1st and 2nd stages (including foreign currency-indexed loans) expected loss provision amounts.

(3) TL (12.190) 1st stage includes the expected loss provision amount.

(4) Hedging Derivative Financial Assets are defined in the "Derivative Financial Assets" line in the financial statement; Hedging Derivative Financial Liabilities are included in the "Derivative Financial Liabilities" line of the financial statement. Exchange rate discount of TL (204,000) was not taken into account in the "Derivative Financial Assets for Hedging Purposes" line, and exchange rate discount of TL (467,014) was not taken into account in the "Derivative Financial Liabilities for Hedging Purposes" line.

(5) It does not include prepaid expenses in the amount of TL 31.664 and foreign exchange purchase commitment rediscouts in the amount of TL 1.306. TL (31) includes the amount of expected credit loss provision at Stage 1.

(6) Derivative Financial transactions exchange rate difference rediscouts amounting to TL (283.254) and foreign exchange sales commitment rediscouts amounting to TL 70 are not included in the "Other Liabilities" line.

(7) It has no effect on the net off-balance sheet position.

(8) TL (9.647) includes the amount of Stage 1 expected loss provision.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated currency risk (continued)

The Group is mostly exposed to Euro, US Dollars and other foreign currencies.

The following tables detail the Group's sensitivity to 10% increase/decrease in the TL against US Dollar, Euro and other currencies.

	Increase in Currency Rate	Effect on Profit / Loss (1)		Effect on Equity (2)	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	(126.985)	(94.938)	9.531	(5.797)
Euro	10	31.407	(1.873)	40.400	25.510
Other	10	1.134	426	-	-

	Decrease in Currency Rate	Effect on Profit / Loss (1)		Effect on Equity (2)	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	126.985	94.938	(9.531)	5.797
Euro	10	(31.407)	1.873	(40.400)	(25.510)
Other	10	(1.134)	(426)	-	-

(1) Values expressed are before the tax effect.

(2) Effect on equity does not include effect on profit/loss.

IV. Explanations related to consolidated interest rate risk

The interest rate sensitivity of assets, liabilities and off-balance sheet items is measured by the Parent Bank. The general and specific interest rate risk tables within the standard method are calculated by including assets and liabilities, and the interest rate risk faced by the Parent Bank is calculated and taken into account in calculating the Capital Adequacy Standard Ratio as part of the overall market risk.

The results that may occur with forward-looking forecast-simulation reports are determined, and the effect of fluctuations in interest rates is evaluated by sensitivity analysis and scenario analysis. With the maturity distribution (Gap) analysis, the cash need arising in each maturity period is determined. In the interest rates applied, it is ensured that there is always a plus difference (spread) between the cost of liability and the return on assets.

When the Parent Bank liabilities are taken into consideration, it is seen that the resources obtained from within the country are quite low. The main shareholder Bank procures the majority of its resources from abroad with the advantages of being a development and investment bank.

Changes in interest rates are controlled by interest rate risk statements, gap analysis, scenario analysis and stress tests, and the effect on assets and liabilities and possible changes in cash flows are examined. Parent Partnership The Bank monitors many risk control ratios, such as the ratio of market risk to total risk-weighted assets and the ratio of risk-to-risk value to equity, calculated by the internal model.

In order to prevent the negative impact of assets or equity as a result of fluctuations in interest rates or liquidity difficulties, continuous controls are carried out within the scope of risk policies and Senior management, the Board of Directors and the Audit Committee are constantly informed.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

*Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items
(based on repricing dates)*

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1)(2)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	5.703.137	5.703.137
Banks	7.386.636	30.714	-	-	-	1.642.221	9.059.571
Financial Assets at Fair Value Through Profit and Loss (3)	1.159.705	30.903	357.023	332.523	7.580	3.830.949	5.718.683
Money Market Placements	5.773.422	3.231.935	835.291	-	-	-	9.840.648
Financial Assets at Fair Value Through Other Comprehensive Income	4.784.574	3.391.286	4.741.483	11.556.020	725.101	2.022.483	27.220.947
Loans	51.497.224	49.766.683	99.432.120	32.144.186	3.363.087	-	236.203.300
Financial Assets Measured at Amortized Cost	291.686	6.441.322	3.131.680	16.390.517	1.125.243	-	27.380.448
Other Assets	-	-	-	-	-	13.166.784	13.166.784
Total Assets	70.893.247	62.892.843	108.497.597	60.423.246	5.221.011	26.365.574	334.293.518
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	8.193.145	2.464.716	-	-	-	-	10.657.861
Miscellaneous Payables	-	-	-	-	-	3.482.467	3.482.467
Marketable Securities Issued (4)	17.211.079	341.830	818.764	55.364.667	-	-	73.736.340
Funds Provided from Other Financial Institutions	20.385.800	60.480.449	104.788.796	7.155.228	808.092	-	193.618.365
Other Liabilities	588.171	186.370	901.856	257.160	-	50.864.928	52.798.485
Total Liabilities	46.378.195	63.473.365	106.509.416	62.777.055	808.092	54.347.395	334.293.518
Balance Sheet Long Position	24.515.052	-	1.988.181	-	4.412.919	-	30.916.152
Balance Sheet Short Position	-	(580.522)	-	(2.353.809)	-	(27.981.821)	(30.916.152)
Off-Balance Sheet Long Position	-	-	-	44.278.271	396.598	-	44.674.869
Off-Balance Sheet Short Position	(14.564.176)	(1.854.059)	(28.542.735)	-	-	-	(44.960.970)
Total Position	9.950.876	(2.434.581)	(26.554.554)	41.924.462	4.809.517	(27.981.821)	(286.101)

(1) Amounts in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

(2) Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.

(3) Derivative financial assets and Loans measured at fair value through profit or loss.

(4) It also includes issued bonds that possess the characteristics of Tier 1 capital, classified under capital-like debt instruments on the balance sheet.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

*Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items
(based on repricing dates)*

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1)(2)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	7.345	-	-	-	-	2.873.080	2.880.425
Banks	6.379.255	-	-	-	-	1.524.618	7.903.873
Financial Assets at Fair Value Through Profit and Loss (3)	2.028.616	291.731	417.761	320.616	-	1.649.575	4.708.299
Money Market Placements	627.020	486.627	838.982	-	-	-	1.952.629
Financial Assets at Fair Value Through Other Comprehensive Income	6.524.766	1.480.352	2.112.327	6.654.897	394.703	1.137.481	18.304.526
Loans	76.972.638	21.372.449	45.316.413	18.565.052	3.834.800	-	166.061.352
Financial Assets Measured at Amortized Cost	6.340.107	4.017.545	3.430.828	8.299.285	2.131.950	-	24.219.715
Other Assets	-	-	-	-	-	11.498.163	11.498.163
Total Assets	98.879.747	27.648.704	52.116.311	33.839.850	6.361.453	18.682.917	237.528.982
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	6.133.032	421	-	-	-	-	6.133.453
Miscellaneous Payables	-	-	-	-	-	3.664.388	3.664.388
Marketable Securities Issued (4)	14.761.076	3.736.963	300.847	45.514.330	-	-	64.313.216
Funds Provided from Other Financial Institutions	69.838.141	16.486.753	29.468.828	7.475.505	733.278	-	124.002.505
Other Liabilities	674.851	93.156	569.748	255.395	-	37.822.270	39.415.420
Total Liabilities	91.407.100	20.317.293	30.339.423	53.245.230	733.278	41.486.658	237.528.982
Balance Sheet Long Position	7.472.647	7.331.411	21.776.888	-	5.628.175	-	42.209.121
Balance Sheet Short Position	-	-	(19.405.380)	-	(22.803.741)	(42.209.121)	(42.209.121)
Off-Balance Sheet Long Position	-	367.990	-	5.831.646	-	-	6.199.636
Off-Balance Sheet Short Position	(19.654)	-	(21.015.785)	-	(74.141)	-	(21.109.580)
Total Position	7.452.993	7.699.401	761.103	(13.573.734)	5.554.034	(22.803.741)	(14.909.944)

(1) in investments in associates and subsidiaries, deferred tax assets, tangible and intangible assets, other assets, other miscellaneous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest-bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

(2) Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.

(3) Derivative financial assets and Loans measured at fair value through profit or loss.

(4) It also includes issued bonds that possess the characteristics of Tier 1 capital, classified under capital-like debt instruments on the balance sheet.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,00	3,00	-	-
Banks	1,91	3,82	-	39,33
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	39,65
Available-for-Sale Financial Assets	4,57	6,41	-	40,97
Loans	6,05	8,35	-	48,75
Financial Assets Measured at Amortized Cost	5,84	8,10	-	19,82
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,41	4,64	-	38,01
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	6,20	-	-
Borrower Funds	0,25	0,50	-	28,00
Funds Provided From Other Financial Institutions	3,57	5,27	-	33,02

(1) The balance sheet also includes issued Tier 1 capital bonds classified under subordinated debt instruments.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,50	3,50	-	-
Banks	-	4,51	-	49,61
Financial Assets at Fair Value Through Profit and Loss	-	-	-	51,27
Money Market Placements	-	-	-	48,17
Available-for-Sale Financial Assets	4,57	6,41	-	45,87
Loans	7,32	9,19	-	56,74
Financial Assets Measured at Amortized Cost	5,84	8,09	-	22,06
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,26	0,53	-	47,77
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	-	5,92	-	57,37
Borrower Funds	0,25	0,50	-	39,00
Funds Provided From Other Financial Institutions	4,51	5,89	-	48,65

(1) The balance sheet also includes issued Tier 1 capital bonds classified under subordinated debt instruments.

V. Explanations related to consolidated stock position risk due from banking book

The Group is exposed to equity shares risk arising from investments on firms traded in Borsa Istanbul (BIST). Share certificate investments are almost used for trading purposes. However, these investments are not actively bought/sold by the Group. The Group classified its share certificate investments both as available for sale and as trading securities and net profit/loss of the Group is not affected unless the Group sell share certificates in portfolio of available for sale.

Below is the comparison table of the Group's share certificate instruments' book value, fair value and market value.

Current Period	Comparison		
Share Certificate Investments	Book Value	Fair Value	Market Value
Investment in Shares-Grade A	4.226.863	-	4.226.863
Quoted	4.226.863	-	4.226.863

Prior Period	Comparison		
Share Certificate Investments	Book Value	Fair Value	Market Value
Investment in Shares-Grade A	3.277.958	-	3.322.123
Quoted	3.277.958	-	3.322.123

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated interest rate risk due from banking book (continued)

On the basis of the following table, private equity investments in sufficiently diversified portfolios, type and amount of other risks, cumulative realized gains and losses arising from selling and liquidation in the current period, total unrealized gains and losses, total revaluation increases of trading positions on stock market and their amount that included to core capital and supplementary capital are shown.

Current Period	Realized Revenues and Losses in Period	Revaluation Value Increases		Unrealized Gains and Losses		
		Total	Included in Core Capital (1)	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	748.750	748.750	-	-	-
Other Share Certificates	-	1.607.459	1.607.459	-	-	-
Total	-	2.356.209	2.356.209	-	-	-

(1) It refers to the amounts reflected in equity for subsidiaries and affiliates valued according to the equity method.

Prior Period	Realized Revenues and Losses in Period	Revaluation Value Increases		Unrealized Gains and Losses		
		Total	Included in Core Capital (1)	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	787.549	787.549	-	-	-
Other Share Certificates	-	1.057.785	1.057.785	-	-	-
Total	-	1.845.334	1.845.334	-	-	-

(1) It refers to the amounts reflected in equity for subsidiaries and affiliates valued according to the equity method.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio

1. Explanations related to the consolidated liquidity risk

1.a Information about the governance of consolidated liquidity risk management, including: risk tolerance; structure and responsibilities for consolidated liquidity risk management; internal consolidated liquidity reporting; and communication of consolidated liquidity risk strategy, policies and practices across business lines and with the board of directors

Liquidity risk management is conducted by Treasury Department in line with the strategies set by Asset and Liability Committee within the limits and policies approved by Board of Directors and is monitored and controlled through reporting from Risk Management, Budget Planning and Financial Control Departments to Audit Committee, Risk Committee, Board of Directors, Senior Management and relevant departments.

The parent bank's liquidity risk capacity is determined by the regulations governing the calculation of liquidity coverage ratio and liquidity adequacy, as well as the parent bank's internal limits. In addition to legal limits, the parent bank has also established internal limits to monitor its liquidity status and maintain the level of risk that can be taken in accordance with risk appetite.

Considering the Bank's strategies and competitive conditions, Asset and Liability Committee has the responsibility of taking the relevant decisions regarding optimal balance sheet management of the Bank and monitoring the implementations. Treasury Department performs cash position management within the framework of the decisions taken at Asset and Liability Committee meetings.

The Risk Management Department reports to the Board of Directors and the Asset and Liability Committee regarding liquidity risk within the scope of internal limits and legal regulations. Additionally, liquidity stress tests are performed based on various scenarios and reported with their impact on legal limit utilization. Treasury Control Unit under the Budget Planning and Investor Relations Department also make cash flow projection reporting to the Treasury Department and the Asset Liability Committee at certain periods and when needed.

1.b Information on the centralization degree of consolidated liquidity management and funding strategy and the functioning between the Parent Bank and the Parent Bank's subsidiaries

Within the scope of consolidation, liquidity management is not centralized, and each subsidiary is responsible for its own liquidity management. However, the Parent Bank monitors the liquidity risk of each subsidiary within the defined limits.

1.c Information on the Parent Bank's funding strategy including the policies on funding types and variety of maturities

Among the main funding sources of the Parent Bank, there are development bank credits, capital market transactions, syndicated loans, bilateral contractual resources, repo transactions and money market transactions and these sources are diversified to minimize the liquidity risk within the terms of market conditions. The funding planning based on those loans is performed long term such as a minimum of one year and the performance is monitored by the Asset and Liability Committee.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

1. Explanations related to the consolidated liquidity risk(continued):

1.ç Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Parent Bank's total liabilities:

The Bank's obligations consist of Turkish Lira (TRY), US Dollar (USD) and Euro (EUR) currency types. Turkish Lira obligations mainly consist of equity and repurchase agreements, whereas foreign currency obligations consist of foreign currency credits, securities issued and repurchase agreements. All loans provided from foreign sources are in foreign currencies. For this reason, foreign resources can be used in TL funding by currency swap transactions when necessary.

1.d Information on consolidated liquidity risk mitigation techniques:

Liquidity limits are defined for the purpose of monitoring and keeping the risk under certain levels. The Bank monitors those limits' utilization and informs the Board of Directors, the Bank Senior Management and the relevant departments regularly. Regarding those limits, the Treasury Department performs the required transactions with the relevant cost and term composition in accordance with market conditions from the sources previously defined in Article C. The Parent Bank minimizes the liquidity risk by holding high quality liquid assets and diversification of funds.

1.e Information on the use of stress tests

Within the scope of liquidity stress tests, the deteriorations that may occur in the cash flow structure of the Parent Bank are assessed by the Bank's scenarios. The results are analyzed by taking into account the risk appetite and capacity of the Bank and reported to the senior management by the Risk Management Department ensuring the necessary actions are taken.

1.f General information on urgent and unexpected consolidated liquidity situation plans:

There is a Contingency Funding Plan for the contingent periods that arises beyond the Parent Bank's control. In a potential liquidity shortfall, Treasury Department is responsible for assessment, taking relevant actions and informing Parent Bank's Asset and Liability Committee. In contingent cases, identifying the liquidity risk arising, cashflow projections and funding requirement estimations are exercised based on various scenarios. To assess the stress scenarios, cashflow in terms of local currency is monitored regularly by Treasury Department. Scenario analysis on the Parent Bank's unencumbered sources is conducted daily. Transaction limits for organized markets are monitored timely and essential collateral amount to trade in those markets is withheld at hand. Repo transactions and/or available portfolio securities in local and foreign currency that are major funding sources in shortfall periods for the Parent Bank are monitored consistently. TSKB has the optionality of choosing one or more of the following to meet its liquidity requirements that are selling liquid assets off, increasing short term borrowing, decreasing illiquid assets, increasing capital.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

2. Consolidated liquidity coverage ratio

According to regulations which is published on 28948 numbered gazette on March 21, 2014, related to calculation of liquidity coverage ratio of banks, calculated liquidity coverage ratios are shown below. Including the reporting period for the last three months consolidated foreign currency and total liquidity coverage ratio and consolidated foreign currency and total liquidity coverage ratio's minimum and maximum levels are shown below by specified thereby weekly:

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
31/10/2025	628	823	304	416
30/11/2025	747	858	501	556
31/12/2025	429	400	485	471

	Total Value Before Application of the Consideration Rate		Total Value After Application of the Consideration Rate	
	TL+FC	FC	TL+FC	FC
Current Period				
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets			35.112.357	19.838.098
CASH OUTFLOWS				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business Customers Deposits	16.822.902	10.822.448	15.579.653	9.682.851
6 Operational deposits	798.787	666.356	199.696	166.589
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	16.024.115	10.156.092	15.379.957	9.516.262
9 Secured funding	-	-	-	-
10 Other Cash Outflows	833.684	654.215	833.684	654.215
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	833.684	654.215	833.684	654.215
12 Debts related to structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	63.905.661	49.785.802	8.495.494	4.230.099
16 TOTAL CASH OUTFLOWS			24.908.831	14.567.165
CASH INFLOWS				
17 Secured Lending Transactions	23.847	-	-	-
18 Unsecured Lending Transactions	29.491.748	15.253.376	24.561.418	12.867.017
19 Other contractual cash inflows	323.933	14.086.097	323.933	14.086.097
20 TOTAL CASH INFLOWS	29.839.528	29.339.473	24.885.351	26.953.114
			Upper Limit Applied Amounts	
21 TOTAL HQLA STOCK			35.112.357	19.838.098
22 TOTAL NET CASH OUTFLOWS			6.227.208	3.641.791
23 LIQUIDITY COVERAGE RATIO (%)			564	545

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)
2. Consolidated liquidity coverage ratio

Prior Period	Total Value Before Application of the Consideration Rate		Total Value After Application of the Consideration Rate	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets			26.058.002	14.732.390
CASH OUTFLOWS				
2 Retail and Customers Deposits	-	-	-	-
3 Stable deposits	-	-	-	-
4 Less stable deposits	-	-	-	-
5 Unsecured Funding other than Retail and Small Business Customers Deposits	15.974.202	10.629.485	14.470.854	9.201.564
6 Operational deposits	647.307	575.843	161.827	143.961
7 Non-Operational Deposits	-	-	-	-
8 Other Unsecured Funding	15.326.895	10.053.642	14.309.027	9.057.603
9 Secured funding	-	-	-	-
10 Other Cash Outflows	640.678	1.060.510	640.678	1.060.510
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	547.095	966.927	547.095	966.927
12 Debts related to structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	93.583	93.583	93.583	93.583
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	43.052.539	30.674.778	5.970.404	2.781.144
16 TOTAL CASH OUTFLOWS			21.081.936	13.043.218
CASH INFLOWS				
17 Secured Lending Transactions	10.004	-	-	-
18 Unsecured Lending Transactions	18.703.749	14.014.377	14.013.803	10.789.468
19 Other contractual cash inflows	958.799	6.648.925	958.799	6.648.925
20 TOTAL CASH INFLOWS	19.672.552	20.663.302	14.972.602	17.438.393
			Upper Limit Applied Amounts	
21 TOTAL HQLA STOCK			26.058.002	14.732.390
22 TOTAL NET CASH OUTFLOWS			6.109.334	3.260.805
23 LIQUIDITY COVERAGE RATIO (%)			427	452

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)
3. Minimum explanations related to the liquidity coverage ratio by Banks:

As per The Regulation on The Calculation of Liquidity Coverage Ratio, Liquidity Coverage Ratio is the ratio of high-quality liquid assets to net cash outflows. For total and foreign currency limits 100% and minimum 80% are assigned on consolidated and unconsolidated basis respectively. For the development and investment banks, Banking Regulations and Supervision Agency decided to apply zero percent to the total and foreign currency consolidated and unconsolidated liquidity coverage ratios unless stated otherwise.

In the Liquidity Coverage Ratio calculation, the items with the highest impact are high quality liquid assets, foreign funds and money market transactions. High quality liquid assets mainly consist of the required reserves held in the Central Bank of the Republic of Turkey and unencumbered securities issued by the Treasury.

The main source of funds of the main partnership Bank is long-term resources established from international financial institutions. The share of these resources in total funding is approximately 60,5%, and the share of resources provided by securities, subordinated debt instruments and syndication loans issued within the scope of bank resources diversification activities in total borrowing is 33,4. 6,1% of the parent Bank's total funding comes from repo money markets.

30-day cash flows arising from derivative transactions are included in the calculation in accordance with the Regulation. The Bank also takes into consideration the liabilities depending on the possibility of changing the fair values of the derivative transactions in accordance with the Regulation.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued) *Presentation of assets and liabilities according to their remaining maturities*

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)(2)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	5.703.137	-	-	-	-	-	5.703.137
Banks	1.642.221	7.417.350	-	-	-	-	-	9.059.571
Financial Assets at Fair Value Through Profit and Loss (3)	941.454	1.275.069	38.588	557.850	16.227	-	2.889.495	5.718.683
Money Market Placements	-	5.773.422	3.231.935	835.291	-	-	-	9.840.648
Financial Assets at Fair Value Through Other Comprehensive Income	-	246.950	1.967.540	3.362.004	15.848.434	3.773.536	2.022.483	27.220.947
Loans	-	14.258.895	14.762.004	45.824.523	130.350.757	31.007.121	-	236.203.300
Financial Assets Measured at Amortized Cost	-	-	-	-	18.241.524	9.138.924	-	27.380.448
Other Assets(2)	799.422	-	-	-	-	-	12.367.362	13.166.784
Total Assets	3.383.097	34.674.823	20.000.067	50.579.668	164.456.942	43.919.581	17.279.340	334.293.518
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	6.747.644	4.619.286	26.398.777	70.352.727	85.499.931	-	193.618.365
Money Market Borrowings	-	8.193.145	2.464.716	-	-	-	-	10.657.861
Marketable Securities Issued (4)	-	17.211.079	341.830	818.764	55.364.667	-	-	73.736.340
Miscellaneous Payables	-	-	-	-	-	-	3.482.467	3.482.467
Other Liabilities	-	791.005	271.254	853.184	124.501	-	50.758.541	52.798.485
Total Liabilities	-	32.942.873	7.697.086	28.070.725	125.841.895	85.499.931	54.241.008	334.293.518
Liquidity Gap	3.383.097	1.731.950	12.302.981	22.508.943	38.615.047	(41.580.350)	(36.961.668)	-
Net Off-balance sheet Position	-	(267.435)	(160.743)	34.696	119.407	(12.026)	-	(286.101)
Financial Derivative Assets	-	37.411.855	11.513.268	15.355.354	59.978.816	5.037.534	-	129.296.827
Financial Derivative Liabilities	-	37.679.290	11.674.011	15.320.658	59.859.409	5.049.560	-	129.582.928
Non-cash Loans	-	250.383	686.673	11.151.382	5.775.742	13.272.366	2.966.369	34.102.915
Prior Period								
Total Assets	2.524.753	21.430.898	11.196.672	44.540.312	110.485.811	36.127.908	11.222.628	237.528.982
Total Liabilities	-	22.195.139	4.891.386	25.509.216	87.786.985	55.747.228	41.399.028	237.528.982
Liquidity Gap	2.524.753	(764.241)	6.305.286	19.031.096	22.698.826	(19.619.320)	(30.176.400)	-
Net Off-balance sheet Position	-	739.691	216.047	115.452	716.524	(6.886)	-	1.780.828
Financial Derivative Assets	-	28.749.715	7.606.176	14.631.450	37.904.292	4.817.848	-	93.709.481
Financial Derivative Liabilities	-	28.010.024	7.390.129	14.515.998	37.187.768	4.824.734	-	91.928.653
Non-cash Loans	-	803.618	3.927.079	7.341.596	2.175.410	6.263.934	1.083.701	21.595.338

(1) Among the active accounts that make up the balance sheet, other assets that are required for the continuation of banking activities such as tangible assets, intangible assets, associates and subsidiaries, deferred tax assets, stocks, prepaid expenses and non-performing loans, which do not have a chance to turn into cash in a short time, and other liabilities, total shareholders' equity, provisions, and passive accounts such as tax liability are shown in the "Unallocated" column.

(2) First and second stage expected loss provisions are shown in other assets, unallocated column.

(3) Includes derivative financial assets and loans at fair value through profit or loss.

(4) It also includes issued bonds that possess the characteristics of Tier 1 capital, classified under capital-like debt instruments on the balance sheet.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

Analysis of financial liabilities by remaining contractual maturities

In compliance with the Turkish Financial Reporting Standard No.7, the following table indicates the maturities of the Bank's major financial liabilities which are not qualified as derivatives. The following tables have been prepared by referencing the earliest dates of capital outflows without discounting the financial liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	6.820.378	5.183.520	32.231.357	93.177.383	107.593.353	(51.387.626)	193.618.365
Money Market Borrowings	8.290.653	2.584.763	-	-	-	(217.555)	10.657.861
Marketable Securities Issued	17.274.749	624.037	3.438.999	68.588.328	-	(16.189.773)	73.736.340
Funds	1.010.220	-	-	-	-	-	1.010.220
Leasing Liabilities	6.626	82.680	22.785	31.419	-	(59.236)	84.274
Total	33.402.626	8.475.000	35.693.141	161.797.130	107.593.353	(67.854.190)	279.107.060
Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	592.872	3.475.712	27.060.058	59.324.006	73.596.491	(40.046.634)	124.002.505
Money Market Borrowings	6.147.328	460	-	-	-	(14.335)	6.133.453
Marketable Securities Issued	14.828.545	2.029.916	3.609.355	55.993.845	-	(12.148.445)	64.313.216
Funds	683.899	-	-	-	-	-	683.899
Leasing Liabilities	4.468	52.105	23.511	63.921	-	(102.453)	41.552
Total	22.257.112	5.558.193	30.692.924	115.381.772	73.596.491	(52.311.867)	195.174.625

Analysis of contractual expiry by maturity of the Group's derivative financial instruments:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Swap Contracts	73.270.945	22.649.850	13.144.158	115.215.396	10.087.094	234.367.443
Forward Contracts	568.976	409.005	16.962.128	4.622.829	-	22.562.938
Futures Transactions	-	-	-	-	-	-
Options	1.251.224	128.424	569.726	-	-	1.949.374
Other	-	-	-	-	-	-
Total	75.091.145	23.187.279	30.676.012	119.838.225	10.087.094	258.879.755
Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Swap Contracts	55.888.830	14.922.202	28.920.872	75.092.060	9.642.582	184.466.546
Forward Contracts	610.467	74.103	226.576	-	-	911.146
Futures Transactions	-	-	-	-	-	-
Options	260.442	-	-	-	-	260.442
Other	-	-	-	-	-	-
Total	56.759.739	14.996.305	29.147.448	75.092.060	9.642.582	185.638.134

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

4. Net stable funding ratio

Pursuant to the "Regulation on the Calculation of Banks' Net Stable Funding Rate" published in the Official Gazette dated 26 May 2023 and numbered 32202, the procedures and principles have been determined to ensure that banks provide stable funding in order to prevent the funding risk that they may be exposed to on a consolidated and non-consolidated basis in the long term from causing deterioration in their liquidity levels.

The net stable funding ratio is calculated on a consolidated and non-consolidated basis by dividing the current stable fund amount by the required stable fund amount. The current stable fund represents the part of banks' liabilities and equity that is expected to be permanent; the required stable fund represents the part of banks' on-balance sheet assets and off-balance sheet liabilities that is expected to be re-funded. The current stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the amounts of banks' liabilities and equity elements valued in accordance with TFRS. The required stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the value calculated by deducting the specific provisions set aside in accordance with the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside from the TFRS valued amounts of banks' on-balance sheet assets and off-balance sheet liabilities.

The three-month simple arithmetic average of the consolidated and non-consolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than one hundred percent as of the periods of March, June, September and December. Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board.

The three-month simple arithmetic average of the net stable funding rates for the last three months including the reporting period was calculated as 131,18%, and the three-month simple arithmetic average of the previous period was calculated as 125,22 %.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

4. Net stable funding ratio (continued)

Current Period	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Without maturity	Less than 6 Months Term	6 Months to More than 6 Months and Less than 1 Year Term	1 Year and Longer Term	
Current Stable Fund					
1 Equity Elements	50.445.634	-	-	12.800.760	63.246.394
2 Core capital and supplementary capital	50.445.634	-	-	12.800.760	63.246.394
3 Other equity elements	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Low stability deposit/participation fund	-	-	-	-	-
7 Debts to other persons	1.010.220	48.359.826	18.339.477	198.416.414	211.645.747
8 Operational deposit/participation fund	1.010.220	-	-	-	505.110
9 Other debts	-	48.359.826	18.339.477	198.416.414	211.140.637
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other obligations	4.611.466	3.257.046	-	-	-
12 Derivative liabilities	-	-	842.963	-	-
13 Other equity items and Liabilities not included above	4.611.466	2.414.083	-	-	-
14 Current Stable Fund					274.892.141
Stable Fund Required					
15 High quality liquid assets	-	-	-	-	10.040.184
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	276.581	62.450.312	29.400.017	160.967.318	174.047.446
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	26.655.993	3.120.526	6.931.256	12.489.918
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	35.666.744	26.100.621	153.934.973	161.083.286
21 Receivables subject to a risk weight of 35% or less	-	-	-	3.225.622	2.096.654
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	276.581	127.575	178.870	101.089	474.242
25 Assets equivalent to interdependent liabilities	-	-	-	-	-
26 Other assets	25.302.926	2.322.502	-	-	27.527.961
27 Physically delivered commodities including gold	-	-	-	-	-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty	-	-	649.782	-	552.315
29 Derivative assets	-	-	-	-	47.688
30 Amount of derivative liabilities before deducting the variation margin	-	-	148.763	-	148.763
31 Other assets not listed above	25.302.926	1.476.269	-	-	26.779.195
32 Off-balance sheet liabilities	-	10.875.771	6.866.031	50.042.198	3.389.200
33 Stable Fund Required					215.004.791
34 Net Stable Funding Rate (%)					127,85

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio(continued)

4. Net stable funding ratio (continued)

Prior Period	a	b	c	d	e
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				Total Amount Applied to Consideration Rate
	Without maturity	Less than 6 Months Term	6 Months to More than 6 Months and Less than 1 Year Term	1 Year and Longer Term	
Current Stable Fund					
1 Equity Elements	35.457.039	-	-	10.519.950	45.976.989
2 Core capital and supplementary capital	35.457.039	-	-	10.519.950	45.976.989
3 Other equity elements	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Low stability deposit/participation fund	-	-	-	-	-
7 Debts to other persons	683.899	35.793.692	13.112.249	132.832.125	145.610.581
8 Operational deposit/participation fund	683.899	-	-	-	341.950
9 Other debts	-	35.793.692	13.112.249	132.832.125	145.268.631
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other obligations	4.968.238	1.121.633	-	-	-
12 Derivative liabilities	-	-	698.546	-	-
13 Other equity items and liabilities not included above	4.968.238	423.087	-	-	-
14 Current Stable Fund					191.587.570
Stable Fund Required					
15 High quality liquid assets	-	-	-	-	11.757.090
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	80.563	41.438.826	23.351.297	110.947.914	120.618.270
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	16.429.058	3.421.530	3.174.415	7.349.540
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	24.679.646	19.924.695	107.445.234	112.793.194
21 Receivables subject to a risk weight of 35% or less	-	-	-	4.187.132	2.721.636
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	80.563	330.122	5.072	328.265	475.536
25 Assets equivalent to interdependent liabilities	-	-	-	-	-
26 Other assets	16.973.438	981.776	-	-	17.894.046
27 Physically delivered commodities including gold	-	-	-	-	-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty	-	-	407.787	-	346.619
29 Derivative assets	-	-	42.398	-	42.398
30 Amount of derivative liabilities before deducting the variation margin	-	-	73.887	-	73.887
31 Other assets not listed above	16.973.438	457.704	-	-	17.431.142
32 Off-balance sheet liabilities	-	5.874.833	8.556.715	26.335.888	2.038.372
33 Stable Fund Required					152.307.778
34 Net Stable Funding Rate (%)					125,79

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations regarding the consolidated leverage ratio

a) Information about the consolidated leverage ratio between current and prior periods

The table regarding the leverage ratio calculated in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks" published in the Official Gazette dated November 5, 2013 and numbered 28812 is given below.

As of the balance sheet date of the Group, the leverage ratio calculated on the basis of the arithmetic average of the values found at the end of the month in the past three months was 14,68 % (December 31, 2024: 15,28%). The amount of on-balance sheet assets decreased by approximately 3,87 % compared to the previous period.

b) Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS

	Current Period (3)	Prior Period
1 Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS (2)	237.097.458	180.588.948
2 The difference between Amount of Asset in the Consolidated Financial Statements Prepared in Accordance with TAS and the Communiqué on Preparation of Consolidated Financial Statements of Banks (2)	(97.196.060)	(56.940.034)
3 The difference between total amount and total risk amount of derivative financial instruments with credit derivative in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	287.868	2.057.453
4 The difference between total amount and total risk amount of risk investment securities or commodity collateral financing transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	11.865.972	3.435.271
5 The difference between total amount and total risk amount of off-balance sheet transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	(18.943.134)	(10.738.272)
6 The other differences between amount of assets and risk in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	-	-
7 Total Exposures (1)	383.137.863	270.331.017

(1) The arithmetic average of the last 3 months in the related periods.

(2) Consolidated financial statements prepared pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks.

(3) As of the current period, the consolidated financial statements prepared pursuant to TAS were not yet ready, and the consolidated financial statements prepared pursuant to TAS dated 31 December 2024 and 31 December 2023 as of the previous period were used.

c) Consolidated Leverage Ratio

	Current Period (1)	Prior Period (1)
Balance sheet assets		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collateral)	331.132.472	233.627.122
1 (Assets deducted from Core capital)	(1.894.671)	(1.150.917)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	329.237.801	232.476.205
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	216.518	173.291
5 Potential credit risk amount of derivative financial assets and credit derivatives	1.383.348	826.964
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	1.599.866	1.000.255
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity	3.045.310	1.523.450
8 Risk amount arising from intermediary transactions	455.633	32.812
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.500.943	1.556.262
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	67.742.387	46.036.567
11 (Correction amount due to multiplication with credit conversion rates)	(18.943.134)	(10.738.272)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	48.799.253	35.298.295
Capital and total risk		
13 Core Capital	56.263.371	41.297.892
14 Total risk amount (sum of lines 3, 6, 9 and 12)	383.137.863	270.331.017
Leverage ratio		
15 Leverage ratio	14,68%	15,28%

(1) The footnote format has been prepared by taking the average amounts for three months according to the BRSA regulations

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value

The table below shows the carrying and fair values of the financial assets and liabilities in the consolidated financial statements of the Group.

	Carrying Value Current Period	Fair Value Current Period
Financial Assets	313.949.737	309.177.771
Money Market Placements	9.840.648	9.840.648
Banks	9.059.571	9.059.571
Financial Assets at Fair Value Through Other Comprehensive Income	27.220.947	27.220.947
Financial Assets Measured at Amortized Cost	27.380.448	26.751.198
Loans (1)	240.448.123	236.305.407
Financial Liabilities	283.251.486	280.979.212
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions (2)	205.286.446	205.286.446
Marketable Securities Issued (3)	73.736.340	71.460.456
Miscellaneous Payables	4.228.700	4.232.310

(1) Loans include financial lease receivables.

(2) Funds provided by other financial institutions include loans, borrowed funds and debts to money markets.

(3) The securities issued include bonds with additional subordinated loan characteristics, which are classified under subordinated loans.

	Carrying Value Prior Period	Fair Value Prior Period
Financial Assets	221.664.878	217.104.220
Money Market Placements	1.952.629	1.952.629
Banks	7.903.873	7.903.873
Financial Assets at Fair Value Through Other Comprehensive Income	18.304.526	18.304.526
Financial Assets Measured at Amortized Cost	24.219.715	23.405.835
Loans (1)	169.284.135	165.537.357
Financial Liabilities	199.800.722	196.270.470
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions (2)	130.819.857	130.819.857
Marketable Securities Issued (3)	64.313.216	60.778.652
Miscellaneous Payables	4.667.649	4.671.961

(1) Loans include financial lease receivables.

(2) Funds provided by other financial institutions include loans, borrowed funds and debts to money markets.

(3) The securities issued include bonds with additional subordinated loan characteristics, which are classified under subordinated loans.

The methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

i- For the fair value calculation of loans, the prevailing interest rates as of the reporting date were used.

ii- Interest rates applicable as of the balance sheet date were used to calculate the fair value of the bank account.

iii- The stock market value as of the balance sheet date was used to calculate the actual value of the financial assets measured by the amortized cost.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

iv- For the fair value calculation of marketable securities, market prices as of the reporting date were used.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involve the use of non-observable inputs.

The table below analyses financial instruments carried at fair value, by valuation method.

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);

c) Inputs for the asset or liability that are not based on observable market data (Level 3).

	Current Period	Level I	Level II	Level III
Financial Assets				
Financial Assets at Fair Value Through Profit or Loss	3.830.949	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	18.693.961	6.903.223	1.602.454	-
Loans at Fair Value Through Profit or Loss	-	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.671.966	-	-
Derivative Financial Assets for Hedging Purposes (2)	-	215.768	-	-
Financial Liabilities				
Derivative Financial Liabilities Held-for-trading (3)	-	1.100.256	-	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	561.921	-	-

(1) Securities worth TL 21.309 under the financial assets item whose fair value difference is reflected in other comprehensive income are reflected in the financial statements at their acquisition cost since they are not traded in an active market, and these assets are not shown in this table.

(2) Positive differences between Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss" line in the balance sheet.

(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss" line in the balance sheet.

	Prior Period	Level I	Level II	Level III
Financial Assets				
Financial Assets at Fair Value Through Profit or Loss	1.650.591	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	11.736.043	5.556.027	992.514	-
Loans at Fair Value Through Profit or Loss	-	-	-	-
Derivative Financial Assets Held-for-Trading (2)	-	1.938.301	-	-
Derivative Financial Assets for Hedging Purposes (2)	-	1.119.407	-	-
Financial Liabilities				
Derivative Financial Liabilities Held-for-Trading (3)	-	880.687	-	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	417.848	-	-

(1) Securities worth TL 19.941 under the financial assets item whose fair value difference is reflected in other comprehensive income are reflected in the financial statements at their acquisition cost since they are not traded in an active market, and these assets are not shown in this table.

(2) Positive differences between Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss" line in the balance sheet.

(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss" line in the balance sheet.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

The statement of movement of financial assets at level 3 is given below.

	Current Period	Prior Period
Balance Per Period	97.732	3.191
Purchases	-	-
Redemption or Sale	-	-
Valuation Difference	99.426	94.541
Transfers	-	-
End of Period Balance	197.158	97.732

The real estate registered by the parent company Bank under tangible assets at fair value is at level 2, and the investment properties of the companies included in the consolidation are at level 2 and 3.

IX. Transactions made on behalf and on behalf of others, explanations and footnotes on faith-based transactions

The main partnership Bank provides management and consultancy services in the name and account of others, such as purchase, sale, custody, financial matters. No faith-based transactions are carried out by the parent company Bank.

X. Disclosures on consolidated risk management

Linkages between financial statements and risk amounts

The footnotes and related explanations prepared in accordance with the "Communiqué on Public Disclosures to be Made by Banks on Risk Management" published in the Official Gazette No. 29511 on October 23, 2015 and entered into force as of March 31, 2016 are given in this section.

Since the standard approach is used in the Bank's capital adequacy calculation, tables on methods based on internal models are not included in accordance with the relevant communiqué.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations on the Parent Bank's risk management approach and risk weighted amounts

Within the scope of the risk management approach of the parent Bank, the policies and implementation principles determined by the Board of Directors and in a way that serves to create a common risk culture throughout the institution; It is in a structure where risks are defined in accordance with international regulations and measurement, analysis, monitoring and reporting activities are carried out within this framework.

A Risk Management Department has been established within the Bank in order to ensure compliance with the relevant policies, implementation principles and processes and to manage the risks faced by the Bank in line with these policies. The Risk Management Department, whose duties and responsibilities are determined by the regulations approved by the Board of Directors, is independent of executive activities and executive units and reports to the Audit Committee. In addition, the Risk Committee has been established and meets regularly in order to assess the risks to which the Bank is exposed, to formulate risk management policies and submit them to the Board of Directors for approval, to determine the practices related to the management of risks and risk limits, to submit them to the Board of Directors for approval, to monitor them, and to ensure coordination between the Bank's executive units and internal systems.

The Risk Management Department carries out these activities by developing the systems needed in the risk management process, monitors the compliance of risks with policies and standards, the Parent Bank's limits and risk appetite indicators, and continues its efforts to comply with the relevant legal regulations and Basel criteria. In addition to the standard approaches used for legal reporting, the risk measurements subject to reporting are also carried out with advanced approaches through internal models and are also supported by stress tests.

The Risk Management Department submits detailed solo and consolidated risk management reports prepared on a monthly and quarterly basis to the Board of Directors through the Audit Committee. In these reports, measurements, stress tests and scenario analyses related to basic risks are included, and compliance with the determined limit level and risk appetite indicators is monitored.

Stress tests on credit, market and interest rate risk are carried out at regular intervals to conduct forward-looking risk assessments and assess the impact of the results on the Parent Bank's financial strength in general. The relevant results are reported to the Audit Committee and contribute to the assessment of the Parent Bank's financial structure in times of stress. Stress test scenarios are created by evaluating the effects of past economic crises on macroeconomic indicators and expectations for the future period. In the light of the stress scenarios created, the Parent Bank's risks and capital position in the upcoming period are predicted, necessary analyses are made in terms of legal and internal capital adequacy ratios, and the ISEDES report is reported to the BRSA.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (Continued)

Overview of risk weighted assets

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk)	201.961.300	141.041.065	16.156.903
2	Standardised approach	201.961.300	141.041.065	16.156.903
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	2.106.551	1.373.802	168.524
5	Standardised approach for counterparty credit risk	2.106.551	1.373.802	168.524
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	Simplified supervisory formula approach	-	-	-
16	Market risk	3.115.150	1.717.513	249.212
17	Standardised approach	3.115.150	1.717.513	249.212
18	Internal model approaches	-	-	-
19	Operational risk	23.764.846	16.284.961	1.901.188
20	Basic indicator approach	23.764.846	16.284.961	1.901.188
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	11.444.145	8.177.760	915.532
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	242.391.992	168.595.101	19.391.359

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation

Current Period	Carrying values in financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
Assets			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Cash and balances at Central Bank	2.877.323	5.697.491	5.703.137	-	-	-	-
Banks	7.901.634	9.052.882	8.472.501	1.271.623	-	-	-
Money Market Placements	1.952.043	9.839.503	9.824.968	15.680	-	-	-
Financial Assets at Fair Value Through Profit or Loss	1.650.591	3.830.949	2.859.861	-	-	971.088	-
Financial Assets at Fair Value Through Other Comprehensive Income	18.469.743	27.220.947	27.057.873	2.087.808	-	-	-
Financial Assets Measured at Amortized Cost	24.199.514	27.361.109	27.380.448	13.020.788	-	-	-
Derivative Financial Assets	3.057.708	1.887.734	-	1.887.734	-	883.049	-
Loans	160.607.476	228.793.094	239.302.127	-	-	-	-
Leasing Receivables	417.553	990.070	1.148.738	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Assets Held for Sale and Discontinued Operations	-	-	-	-	-	-	-
Associates (net)	4.196.325	5.508.367	5.508.367	-	-	-	1.426.971
Subsidiaries (net)	-	172.208	172.208	-	-	-	-
Joint-Ventures (net)	-	61.330	61.330	-	-	-	-
Tangible Assets (net)	3.156.735	4.255.952	4.248.853	-	-	-	7.099
Intangible Assets (net)	7.218	26.892	-	-	-	-	26.892
Investment Properties (net)	2.403.800	3.263.130	3.263.130	-	-	-	-
Tax Assets	2.679	4.894	4.894	-	-	-	-
Deferred Tax Assets	312.481	627.624	627.624	-	-	-	-
Other Assets	5.884.635	5.699.342	4.360.602	1.357.881	-	-	8.814
Total Assets	237.097.458	334.293.518	339.996.661	19.641.514	-	1.854.137	1.469.776

(1) Pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, the financial statements prepared as of 31 December 2024 were used.

(2) The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks are included in accordance with the TAS.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation

Current Period			Carrying values of items in accordance with Turkish Accounting Standards				
Liabilities	Carrying values in financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Deposits	-	-	-	-	-	-	-
Funds Borrowed	123.759.354	193.618.365	-	6.275.374	-	-	187.342.991
Money Market Funds	6.133.453	10.657.861	-	6.032.581	-	-	4.625.280
Securities Issued	53.512.352	60.593.749	-	-	-	-	60.593.749
Funds	683.899	1.010.220	-	-	-	-	1.010.220
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	1.298.535	1.662.177	-	844.297	-	741.075	102.019
Factoring Payables	-	-	-	-	-	-	-
Lease Payables	41.552	84.274	-	-	-	-	84.274
Provisions	2.178.385	1.665.403	-	-	-	-	1.665.403
Current Tax Liability	313.494	527.154	-	-	-	-	527.154
Deferred tax Liability	334.512	590.628	-	-	-	-	590.628
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-	-
Subordinated Debts	10.800.864	13.142.591	-	-	-	-	13.142.591
Other Liabilities	4.788.984	4.277.371	-	1.658.726	-	-	2.618.645
Shareholders' Equity	33.252.074	46.463.725	-	-	-	-	46.463.725
Total Liabilities	237.097.458	334.293.518	-	14.810.978	-	741.075	318.766.679

(1 Pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, the financial statements prepared as of 31 December 2024 were used

(2) The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks are included in accordance with the TAS.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation (continued)

Prior Period	Carrying values in financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and Balances at Central Bank	2.942.305	2.877.323	2.880.425	-	-	-	-
Bank	5.256.480	7.901.632	7.553.586	390.595	-	-	-
Money Market Placements	7.424.015	1.952.043	1.945.961	6.668	-	-	-
Financial Assets at Fair Value through Profit and Loss	409.358	1.650.591	1.358.675	-	-	307.967	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.883.962	18.304.526	18.400.503	1.985.056	-	-	-
Financial Assets Measured at Amortized Cost	18.880.650	24.199.515	24.219.715	3.702.276	-	-	-
Derivative Financial Assets	1.934.697	3.057.708		3.057.708	-	730.933	-
Loans	122.766.926	160.921.050	168.866.581	-	-	-	-
Finance Lease Receivables	452.370	299.706	417.553	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Investment Held-to-Maturity (net)	-	-	-	-	-	-	-
Investment in Associates (net)	2.822.284	4.201.492	4.201.492	-	-	-	1.137.295
Investment in Subsidiaries (net)	-	133.444	133.444	-	-	-	-
Joint-Ventures (net)	-	26.606	26.606	-	-	-	-
Tangible Assets (net)	2.237.255	3.156.735	3.151.173	-	-	-	5.562
Intangible Assets (net)	7.113	8.223	-	-	-	-	8.223
Investment Properties (net)	1.430.350	2.403.800	2.403.800	-	-	-	-
Current Tax Assets	691	2.679	2.679	-	-	-	-
Deferred Tax Assets	1.480.605	312.481	312.481	-	-	-	-
Other Assets	2.659.887	6.119.428	3.057.571	1.020.148	-	-	2.062.453
Total Assets	180.588.948	237.528.982	238.932.245	10.162.451	-	1.038.900	3.213.533

(1) The consolidated financial statements prepared in accordance with the sixth paragraph of Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks as at June 30, 2024 are used.

(2) The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation (continued)

Prior Period	Carrying values in financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk (2)	Not subject to capital requirements or subject to deduction from capital
Liabilities							
Deposits	-	-	-	-	-	-	-
Funds Borrowed	106.710.140	124.002.505	-	717.434	-	-	123.285.071
Money Market Funds	3.727.880	6.133.453	-	3.279.614	-	-	2.853.839
Securities Issued	34.148.450	53.512.352	-	-	-	-	53.512.352
Funds	1.482.480	683.899	-	-	-	-	683.899
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	1.148.158	1.298.535	-	617.723	-	612.987	74.905
Factoring Payables	-	-	-	-	-	-	-
Lease Payables	39.250	41.552	-	-	-	-	41.552
Provisions	1.928.404	2.405.013	-	-	-	-	2.405.013
Current Tax Liability	866.968	457.912	-	-	-	-	457.912
Deferred tax Liability	-	334.512	-	-	-	-	334.512
Liabilities for Assets Held for Sale and Discontinued Operations	-	-	-	-	-	-	-
Subordinated Debts	6.043.090	10.800.864	-	-	-	-	10.800.864
Other Liabilities	2.569.701	4.705.685	-	2.517.413	-	-	2.189.841
Shareholders' Equity	21.924.427	33.152.700	-	-	-	-	33.152.700
Total Liabilities	180.588.948	237.528.982	-	7.132.184	-	612.987	229.792.460

(1) The consolidated financial statements prepared in accordance with the sixth paragraph of Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks as at June 30, 2024 are used.

(2) The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", has been included.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

The differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit Risk (1)	Securitization Positions	Counterparty credit risk (1)	Market risk (2)
1	Asset carrying value amount under scope of regulatory consolidation	326.656.849	339.996.661	-	19.641.514	1.854.137
2	Liabilities carrying value amount under regulatory scope of consolidation	326.656.849	-	-	14.810.978	741.075
3	Total net amount	-	339.996.661	-	4.830.536	1.113.062
4	Off-balance sheet amounts	320.791.086	28.353.585	-	993.402	-
5	Differences due to prudential filters	-	(81.880.281)	-	(1.364.897)	2.002.088
	Risk Amounts	-	286.469.965	-	4.459.041	3.115.150

(1) The risk amount before the Credit Risk Mitigation are given in credit risk and the counterparty credit risk.

(2) The valuation amounts of financial instruments included in trading accounts in accordance with TAS are included.

	Prior Period	Total	Credit Risk (1)	Securitization Positions	Counterparty credit risk (1)	Market risk (2)
1	Asset carrying value amount under scope of regulatory consolidation	237.528.982	238.932.239	-	10.162.451	1.038.900
2	Liabilities carrying value amount under regulatory scope of consolidation	237.528.982	-	-	7.132.184	612.987
3	Total net amount	-	238.932.239	-	3.030.267	425.913
4	Off-balance sheet amounts	227.290.015	16.189.693	-	557.124	-
5	Differences due to prudential filters	-	(53.413.305)	-	(742.159)	1.291.600
	Risk Amounts	-	201.708.627	-	2.845.232	1.717.513

(1) The risk amount before the Credit Risk Mitigation are given in credit risk and the counterparty credit risk.

(2) Gross position amounts included in the calculation of market risk are taken as basis.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

The differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

There is no major differences between the financial and regulatory scope of consolidation.

Difference between the amounts of assets within the scope of legal consolidation as valued in accordance with TAS and credit risk exposures results from the transactions which are not subject to credit risk. Difference between off-balance sheet exposures and credit risk exposures results from the application of credit conversion factors to off-balance sheet exposures in line with the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks.

The Parent Bank takes into consideration the principles stipulated in Annex 3 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks for all positions concerning its trading and banking book to be considered in the measurement of its fair value and capital adequacy. The Bank generally uses fair value as valuation methodology. Valuation methods are covered in detail under the title "VIII. Disclosures on financial assets" in section "Accounting Policies" of section three of the report.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations on credit risk

General qualitative information on credit risk

Credit risk is the possibility of incurring losses due to the credit fulfill customer or the counterparty, with whom the Bank has made an agreement with, does not fulfill its obligations appropriately or is not able to meet these obligations. While the largest and most visible source of credit risk consists of the loans extended by the bank, other assets included in balance sheets, non-cash loans and commitments are also taken into consideration within the scope of credit risk.

Credit risk is measured and managed in accordance with the Credit Risk Policies developed within the scope of the Risk Management Policies of the Bank. In this sense, the structure and characteristics of a loan, the provisions of loan agreements and financial conditions, structure of the risk profile until the end of maturity in parallel with potential market trends, guarantees and collaterals, internal risk ratings and potential changes with regard to the ratings in the process of risk exposure and concentrations (a single company, a group of affiliated companies, sector, country etc.) are taken into consideration. Compliance with the limits and risk appetite levels determined by the Board of Directors is monitored.

Credit risk is managed by loan allocation and loan monitoring units in the Parent Bank. Creditworthiness of loan customers is monitored and reviewed on a regular basis. Credit limits are set by the Board of Directors, the credit committee of the bank and the loan management. The Bank receives a sufficient amount of collateral in return for the loans extended thereby and its other receivables.

Credit risk is measured, monitored and reported by the Risk Management Department. Concentrations in the loan portfolio, loan quality of the portfolio, collateral structure, measurements concerning capital adequacy, stress tests and scenario analyses and the level of compliance with limits are regularly reported to the Board of Directors and the senior management.

Credit quality of assets

	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values (a+b+c)
	Defaulted (a)	Non-defaulted (b)	(c)	(d)
1 Loans	5.721.092	287.020.308	10.706.391	282.035.009
2 Debt Securities	-	52.645.957	67.044	52.578.913
3 Off-balance sheet	21.105	72.745.139	152.726	72.613.518
4 Total	5.742.197	412.411.404	10.926.161	407.227.440

	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values (a+b+c)
	Defaulted (a)	Non-defaulted (b)	(c)	(d)
1 Loans	3.680.487	201.048.231	8.090.050	196.638.668
2 Debt Securities	-	41.508.924	122.163	41.386.761
3 Off-balance sheet	8.306	41.725.002	117.571	41.615.737
4 Total	3.688.793	284.282.157	8.329.784	279.641.166

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Changes in stock of default loans and debt securities

Current Period		Balance
1	Defaulted loans and debt securities at end of the previous reporting	3.688.793
2	Loans and debt securities that have defaulted since the last reporting period	3.865.505
3	Receivables back to non-defaulted status	-
4	Amounts written off (-)	-
5	Other changes (1)	(1.812.101)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	5.742.197

Prior Period		Balance
1	Defaulted loans and debt securities at end of the previous reporting	4.211.879
2	Loans and debt securities that have defaulted since the last reporting period	270.815
3	Receivables back to non-defaulted status	-
4	Amounts written off (-)	-
5	Other changes (1)	(793.901)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	3.688.793

(1) (1) It includes collections from receivables that have gone into default during the period.

Additional disclosure related to the credit quality of assets

The Parent Bank considers stage 2 loans that collections of principal and interest payments have not been realized on due dates as past due in accordance with the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables".

Loans that collections of principal and interest payments are overdue more than 90 days and losing creditworthiness is considered by the Parent Bank as impaired or provisioned loans.

General loan loss provision is calculated for past due loans; Specific provision is calculated for impaired loans. The methods used in determining the provision amounts are explained in Section Three Note VIII.

Refinancing and restructuring; is the replacement of one or several loans extended by the Parent Bank to a new loan that will cover the principal or interest payment in whole or in part due to the financial distress expected by the customer or the group in the present or future, or change the terms in the current loans to ensure that the debt can be paid.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to consolidated credit risk (continued)

Additional disclosure related to the credit quality of assets (continued)

Breakdown of receivables according to major regions, sectors and remaining maturities

Breakdown of receivables by major regions, sectors and remaining maturities is included in notes under Section Four, Note II, "Explanations Related to Consolidated Credit Risk."

Impaired loans on the basis of major regions and sectors and amounts written off corresponding provisions

On the basis of geographical regions, the Bank's reserve receivables consist of domestic receivables. On a sector-by-sector basis, the Bank's reserve receivables and related reserve amounts are included in the note "Miscellaneous information according to important sectors or counterparty type" under "Disclosures Regarding Consolidated Credit Risk" in Chapter II of Chapter Four.

As of December 31, 2025, there are no written off from receivables. (December 31, 2024: TL 84.611).

The aging analysis of the receivables past due

The aging analysis of the receivables past due is presented in footnote under Section Four II. "Explanations related to consolidated credit risk".

Credit Risk Mitigation

Qualitative disclosure on credit risk mitigation techniques

In valuations made within the scope of credit risk mitigation techniques, the methods used in relation to the valuation and management of collateral are carried out in parallel with the Communiqué on Credit Risk Reduction Techniques. Offsetting is not used as credit risk reduction technique.

Financial collaterals are assessed on a daily basis at the Parent Bank. Depending on the use of the comprehensive financial guarantee method, the risk-mitigating effects of the collateral are taken into account by means of standard volatility adjustments. Valuations of real estate mortgages used in capital adequacy calculations are regularly reviewed.

The value of the real estates is determined by the valuation institutions authorized by the CMB.

The main collateral that the Bank can use within the scope of credit risk mitigation techniques are; financial collateral, guarantees and mortgages. In the reporting conducted as of December 31, 2025, financial guarantees, guarantees and mortgages were used as credit risk reduction techniques in the calculation of the amount based on consolidated credit risk.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk mitigation techniques - Standard approach

Current Period	Exposures unsecured; value in accordance with TAS.	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	266.242.579	20.426.933	5.869.426	195.014	21.160	-	-
2 Debt securities	52.578.913	-	-	-	-	-	-
3 Total	318.821.492	20.426.933	5.869.426	195.014	21.160	-	-
4 Of which default	5.721.092	-	-	-	-	-	-

Prior Period	Exposures unsecured; value in accordance with TAS.	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	183.316.700	12.526.307	3.836.066	699.686	9.326	-	-
2 Debt securities	41.482.738	-	-	-	-	-	-
3 Total	224.799.438	12.526.307	3.836.066	699.686	9.326	-	-
4 Of which default	3.680.487	-	-	-	-	-	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach(continued)

Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

The related disclosures are included in footnotes "Credit risk under standard approach" under Section Four, Note II "Explanations related to consolidated credit risk".

Credit risk exposure and credit risk mitigation effects

Current Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount
1	Exposures to sovereigns and their central banks	51.408.029	64.450	51.408.029	12.890	-
2	Exposures to regional and local governments	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	48	26.857	48	5.372	5.420
4	Exposures to multilateral development banks	225.777	-	225.777	-	-
5	Exposures to international organizations	-	-	-	-	-
6	Exposures to banks and securities firms	19.135.446	5.023.064	19.156.606	1.043.941	4.973.803
7	Exposures to corporates	165.545.797	41.955.115	165.524.637	19.902.998	175.267.597
8	Retail exposures	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-	-	-	-
10	Exposures secured by commercial real estate property	4.346.751	519	4.346.751	259	2.173.505
11	Past due receivables	5.720.782	-	1.476.268	-	738.134
12	Exposures in higher-risk categories	119	161.621	119	35.384	49.613
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	3.698.534	-	3.698.534	-	3.698.534
16	Other exposures	14.661.978	107.211	13.536.927	107.212	13.644.139
17	Equity investments	5.988.213	-	5.988.213	-	12.854.701
18	Total	270.731.474	47.338.837	265.361.909	21.108.056	213.405.446

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach (continued)

Credit risk exposure and credit risk mitigation effects (continued)

Prior Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount
1	Exposures to sovereigns and their central banks	39.038.328	-	39.040.549	-	-
2	Exposures to regional and local governments	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	326	232.156	326	46.431	46.757
4	Exposures to multilateral development banks	106.747	-	106.747	-	-
5	Exposures to international organizations	-	-	-	-	-
6	Exposures to banks and securities firms	9.697.224	4.953.791	9.702.456	1.030.086	2.976.811
7	Exposures to corporates	120.166.360	24.455.013	120.158.907	11.705.174	123.199.715
8	Retail exposures	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-	-	-	-
10	Exposures secured by commercial real estate property	3.198.999	-	3.198.999	-	1.599.500
11	Past due receivables	3.680.195	-	457.704	-	228.852
12	Exposures in higher-risk categories	107	10.956	107	2.613	2.003
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	1.627.653	-	1.627.654	-	1.627.653
16	Other exposures	10.714.453	840.376	10.347.631	109.801	10.457.432
17	Equity investments	4.173.443	-	4.173.443	-	9.080.099
18	Total	192.403.835	30.492.292	188.814.523	12.894.105	149.218.822

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements
and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standardised approach (continued)

Exposures by asset classes and risk weights

	Current Period					50% Secured by Real Estate Property							
	Risk Groups/ Risk Weight	0%	10%	20%	25%		75%	100%	150%	200%	250%	500%	Total Risk Amount (after CCR and CVA)
1	Exposures to sovereigns and their central banks	51.420.919	-	-	-	-	-	-	-	-	-	-	51.420.919
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	5.420	-	-	-	-	5.420
4	Exposures to multilateral development banks	225.777	-	-	-	-	-	-	-	-	-	-	225.777
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	17.088.238	-	3.112.309	-	-	-	-	-	-	20.200.547
7	Exposures to corporates	-	-	4.611.130	-	12.942.267	-	167.874.238	-	-	-	-	185.427.635
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by property	-	-	-	-	4.347.010	-	-	-	-	-	-	4.347.010
10	Past due receivables	-	-	-	-	1.476.268	-	-	-	-	-	-	1.476.268
11	Exposures in higher-risk categories	-	-	-	-	3	-	7.277	28.223	-	-	-	35.503
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	3.698.534	-	-	-	-	3.698.534
15	Equity investments	-	-	-	-	-	-	1.410.555	-	-	4.577.658	-	5.988.213
16	Other exposures	-	-	-	-	-	-	13.644.139	-	-	-	-	13.644.139
17	Total	51.646.696	-	21.699.368	-	21.877.857	-	186.640.163	28.223	-	4.577.658	-	286.469.965

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standardised approach (continued)

Exposures by asset classes and risk weights

	Prior Period	0%	10%	20%	25%	50% Secured by Real Estate Property	75%	100%	150%	200%	250%	500%	Total Risk Amount (after CCR and CVA)
	Risk Groups/ Risk Weight												
1	Exposures to sovereigns and their central banks	39.040.549	-	-	-	-	-	-	-	-	-	-	39.040.549
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	46.757	-	-	-	-	46.757
4	Exposures to multilateral development banks	106.747	-	-	-	-	-	-	-	-	-	-	106.747
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	7.987.409	-	2.731.607	-	13.526	-	-	-	-	10.732.542
7	Exposures to corporates	-	-	4.403.398	-	10.766.273	-	116.211.432	482.978	-	-	-	131.864.081
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by property	-	-	-	-	3.198.999	-	-	-	-	-	-	3.198.999
10	Past due receivables	-	-	-	-	457.704	-	-	-	-	-	-	457.704
11	Exposures in higher-risk categories	-	-	-	-	2.077	-	-	643	-	-	-	2.720
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	1.627.654	-	-	-	-	1.627.654
15	Equity investments	-	-	-	-	-	-	902.340	-	-	3.271.103	-	4.173.443
16	Other exposures	-	-	-	-	-	-	10.457.432	-	-	-	-	10.457.432
17	Total	39.147.296	-	12.390.807	-	17.156.660	-	129.259.141	483.621	-	3.271.103	-	201.708.628

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR)

Qualitative disclosures on CCR (continued)

Counterparty credit risk is managed by monitoring the concentrations at various levels with regard to counterparty credit risks, the capital requirement imposed by the counterparty credit risk and the limits set by the Board of Directors for counterparty transactions. Moreover, the ratio of the counterparty credit risk exposure to total risk-weighted assets has been identified as a risk appetite indicator.

Counterparty credit risk resulting from repurchase transactions, securities and commodities lending transactions and derivatives transactions are calculated within the framework of Annex 2 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks. Fair Value Valuation Method is applied for derivatives transactions. Risk exposure of derivative transactions is equal to 1,4 times the sum of replacement cost and potential credit risk amount. Besides, capital requirement is also calculated for credit valuation adjustment (CVA) risk in relation to derivatives transactions. For repurchase and securities lending transactions risk amount is calculated considering volatility and credit quality level.

Derivatives transactions executed with counterparties are carried out within the scope of "ISDA" and "CSA" agreements. These agreements contain the same collateralization provisions for our Bank and counterparties and daily collateral settlement is performed.

Analysis of counterparty credit risk (CCR) exposure by approach

	Current Period	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	346.778	587.484	-	1,4	1.307.967	634.796
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	2.232.029	1.039.292
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	Total	-	-	-	-	-	1.674.088

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Analysis of counterparty credit risk (CCR) exposure by approach (continued)

	Prior Period	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	203.109	294.014	-	1,4	695.972	307.683
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	943.032	867.394
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	Total	-	-	-	-	-	1.175.077

Credit valuation adjustment (CVA) for capital charge

	Current Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3*multiplier)	-	-
2	(ii) Stressed VaR component (including the 3*multiplier)	-	-
3	All portfolios subject to the Standardised CVA capital charge	1.307.968	420.311
4	Total subject to the CVA capital charge	1.307.968	420.311

	Prior Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3*multiplier)	-	-
2	(ii) Stressed VaR component (including the 3*multiplier)	-	-
3	All portfolios subject to the Standardised CVA capital charge	695.972	179.483
4	Total subject to the CVA capital charge	695.972	179.483

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations on counterparty credit risk (CCR)

Standardized approach – Counterparty credit risk exposures by regulatory portfolio and risk weights

Current Period									Total credit exposure(1)
Risk Weight									
Risk Groups	0%	10%	20%	50%	75%	100%	150%	Other	
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	529	-	-	529
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	1.340.774	1.562.669	-	-	-	-	2.903.443
Exposures to corporates	-	-	8	23.895	-	611.582	-	-	635.485
Retail exposures	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	539	-	-	539
Total	-	-	1.340.782	1.586.564	-	612.650	-	-	3.539.996

(1) Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques

Prior Period									
Risk Weight									
Risk Groups	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (1)
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	12.828	-	-	12.828
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	232.286	536.729	-	-	-	-	769.015
Exposures to corporates	-	-	191	19.167	-	836.824	4	-	856.186
Retail exposures	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	975	-	-	975
Total	-	-	232.477	555.896	-	850.627	4	-	1.639.004

(1) Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Collaterals used for CCR

Current Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	3.717.012	-
Cash – foreign currency	1.040.061	-	502.689	-	6.490.645	-
Domestic sovereign debt	-	-	-	-	15.680	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	1.040.061	-	502.689	-	10.223.337	-

Prior Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	1.960.346	-
Cash – foreign currency	1.714.829	-	29.697	-	1.511.243	-
Domestic sovereign debt	-	-	-	-	6.668	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	1.714.829	-	29.697	-	3.478.257	-

Credit derivatives

None (December 31, 2024 : None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Exposure to Central Counterparties (CCP)

	Current Period		Prior Period	
	Exposure at Default Post – CRM	RWA	Exposure at Default Post – CRM	RWA
Exposure to Qualified Central Counterparties (QCCPs) Total	919.045	12.147	1.206.228	19.243
Exposures for trades at QCCPs (excluding initial margin and default fund contributions) of which	449.361	8.987	886.426	17.729
(i) OTC Derivatives	154.648	3.093	127.608	2.552
(ii) Exchange-traded Derivatives	58.861	1.177	82.841	1.657
(iii) Securities financing transactions	235.852	4.717	675.977	13.520
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	411.813	-	270.301	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	57.871	3.160	49.501	1.514
Unfunded default fund contributions	-	-	-	-
Exposures to non- Central Counterparties (QCCPs) Total	-	-	-	-
Exposures for trades at non QCCPs (excluding initial margin and default fund contributions) of which	-	-	-	-
(i) OTC Derivatives	-	-	-	-
(ii) Exchange-traded Derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

Explanations on securitizations

None (December 31, 2024 : None).

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on market risk

Qualitative information to be disclosed to public concerning market risk

Market risk is the possibility of a risk being incurred by the portfolio or position accepted within the scope of the trading portfolio as a result of interest rates, equity prices, commodity prices in financial markets and exchange rate fluctuations. The purpose of market risk management is to manage, within the appropriate parameters, the risks which the Bank might be exposed to with a proactive approach and thus maximize the Bank's risk adjusted return.

Interest rate, exchange rate, stock and commodity price risks are the major elements of market risk. In order to control these risks in a healthy manner the core principle is to manage transactions carried out in money and capital markets such that they do not form concentration in terms of instrument, maturity, currency, interest type and other similar parameters, and in a "well diversified" manner in accordance with their risk levels. Moreover, the creditworthiness of issuers of financial instruments causing market risk is monitored carefully. Market Risk is managed by using consistent risk measurements and criteria fluctuation level of interest rates and/or prices and Value at Risk calculations, establishing appropriate procedures for control and monitoring compliance with identified risk limits and risk appetite.

Market risk measurement, monitoring and reporting is carried out by the Risk Management Department. In the calculation of the market risk, the Bank uses two basic approaches as the BRSA Standard Method and advanced method which are Value at Risk (VaR) and Expected Shortfall approaches. The standard method is applied in the calculation of capital adequacy on a monthly basis. VaR calculations are performed periodically and are reported to the senior management. Monte Carlo simulation method is used for VaR calculations. The VaR model is based on the assumptions of a 99% confidence interval and a 1-day holding period, and the accuracy of the model is assured by back-testing which is based on the comparison of calculated VaR Value against incurred losses. Besides, stress tests are conducted so as to identify the impacts on VaR which will be highly damaging, although their occurrence is a low possibility.

In addition to the activities of the Risk Management Department, the Treasury Control Unit also reports daily positions and limits use status to the senior management.

Market Risk-standard approach

	Risk Weighted Amount (RWA)	
	Current Period	Prior Period
Outright products	-	-
1 Interest rate risk (general and specific)	542.088	441.388
2 Equity risk (general and specific)	917.187	79.738
3 Foreign exchange risk	1.655.875	1.196.137
4 Commodity risk	-	-
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 Total	3.115.150	1.717.263

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosure on operational risk

Information to be disclosed to the public regarding operational risk

Operational Risk Exposure is measured in the Bank once a year by using the Basic Indicator Method based on the "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks".

	31/12/2022	31/12/2023	31/12/2024	Total/No. of years of positive gross	Rate (%)	Total
Gross Income	8.518.778	13.879.445	15.625.530	12.674.584	15	1.901.188
Capital Requirement for Operational Risk (Total*12,5)						23.764.846

	31/12/2021	31/12/2022	31/12/2023	Total/No. of years of positive gross	Rate (%)	Total
Gross Income	3.657.714	8.518.778	13.879.445	8.685.312	15	1.302.797
Capital Requirement for Operational Risk (Total*12,5)						16.284.961

Explanations related to interest rate due from banking book

Banking Rate Risk (BHFOR) refers to the risk that potential changes in interest rates due to differences in repricing periods and interest rate structures of interest-sensitive assets and liabilities tracked in banking accounts may affect a bank's capital.

BHFOR calculation and reporting are carried out monthly in accordance with the "Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts Using the Standard Approach," published in the Official Gazette dated May 12, 2025, and numbered 32898, and effective as of October 1, 2025.

BHFOR management is based on monitoring changes in the economic value of the Parent Bank (EDD) and their impact on net interest income (NFGD). Internal stress tests and scenario analyses, compliant with legal regulations, are conducted to identify potential risks in the financial and economic environment in a timely manner. These analyses are regularly reported to the Asset-Liability Committee and senior management, supporting effective oversight and decision-making processes. Compliance with the BHFOR limits established by the Board of Directors is periodically monitored and reported by the Risk Management Department.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to interest rate due from banking book (continued)

The Asset-Liability Committee (ALC) is responsible for monitoring and effectively managing interest rate risk and taking corrective measures when necessary. In this context, the Committee ensures the optimal management of the maturity, interest rate type, and currency allocation of assets and liabilities, and the use of capital in a way that maximizes the impact of changes in interest rates on net interest income and economic value. As part of its risk management, the Bank utilizes hedging strategies through derivative instruments and actively manages foreign exchange and interest rate risks.

Due to the fact that the Parent Bank is classified as a non-deposit taking bank and functions as a development and investment bank, the regulatory assumptions and ratios included in the BDDK (Banking Regulation and Supervision Agency) regulations regarding early payment effects are applied, and no internal assumption has been developed by the Parent Bank.

The calculation of interest rate risk arising from the parent bank's banking accounts is given in the table below.

	EDD
	Current Period
	31.12.2025
Parallel Upwards	2.508.566
Parallel Downwards	(2.479.914)
Increasing Slope	(461.825)
Decreasing Slope	1.102.213
Short-term Upwards	2.139.329
Short-term Downwards	(2.116.820)
Maximum	2.508.566
Main Capital	57.202.866

In EDD calculations, interest rate margins are included in contractual cash flows, and TLREF is used as the discount yield curve for TRY, ESTR for Euro, and SOFR for USD.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the consolidated assets

1.a Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	-	-	-	-
Balances with the Central Bank of	474	5.702.663	772	2.879.653
Other	-	-	-	-
Total	474	5.702.663	772	2.879.653

	Current Period (1)		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposits	474	9.276	772	7.345
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (2)	-	5.693.387	-	2.872.308
Total	474	5.702.663	772	2.879.653

(1) Expected loss amounting to TL 5.646 (December 31, 2024: TL 3.102) is allocated in "Balances with the Central Bank of Turkey".

(2) It is the amount of the required reserves held in blocked accounts with the Central Bank of the Republic of Turkey, related to Turkish lira assets and foreign currency liabilities.

As per the Communiqué numbered 2005/1 "Reserve Deposits" of the CBRT, banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. Reserves are calculated and set aside every two weeks on Fridays for 14-day periods. The CBRT Required reserves of 2 May 2015 has started to pay interest to the Required reserves, reserve options and unrestricted account held in US dollars according to regulation released at 5 May 2015.

As per the "Communiqué on Amendments to be Made on Communiqué on Required Reserves" of Central Bank of Turkey, numbered 2011/11 and 2011/13, required reserves for Turkish Lira and Foreign currency liabilities are set at Central Bank of Turkey based on rates mentioned below. Reserve rates prevailing at December 31, 2025 are presented in table below:

Reserve Rates for Turkish Lira Liabilities (%)	
Original Maturity	Reserve Ratio
Borrower Funds	0
Until 1 year maturity (1 year included)	8
1-3 year maturity (3 year included)	5,5
More than 3 year maturity	3
Securities issued by development and investment banks with a maturity of more than 1 year	0
Other liabilities of banks with maturities of up to 1 month (including 1 month), funds obtained from foreign repo transactions and loans utilized from abroad.	18
Other liabilities of banks with maturities of up to 3 months (including 3 months), funds obtained from foreign repo transactions and loans utilized from abroad.	14
Other liabilities of banks with maturities of up to 1 year (including 1 year) include deposits/participation funds in foreign banks, funds obtained from foreign repurchase agreements, and loans utilized from abroad.	12
Banks' demand deposits/participation funds in foreign banks that belong to their parent companies	0
Foreign Currency Liabilities Required Reserve Ratios (%)	
Original Maturity	Reserve Ratio
Borrower Funds	25
Until 1 year maturity (1 year included)	21
1-2 year maturity (2 year included)	16
2-3 year maturity (3 year included)	11
3-5 year maturity (5 year included)	7
More than 5 year maturity	5
Funds obtained from repurchase agreements with domestic residents for other liabilities of banks with maturities of up to 1 year (including 1 year).	25

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

2 Information on financial assets at fair value through profit and loss:

2.a Information on financial assets designated at fair value through profit and loss given as collateral or blockage:

As of the reporting date, the Bank has no financial assets designated at fair value through profit and loss given as collateral or blockage (December 31, 2024: None).

2.b Information on financial assets designated at fair value through profit and loss given as repurchase agreements:

As of the reporting date, the Group has no financial assets designated at fair value through profit and loss subject to repurchase agreements (December 31, 2024: None).

2.c Information on loans and financial assets at fair value through profit and loss:

As of December 31, 2025 there are no loans with fair value difference reflected in profit and loss. (31 December 2024: None).

As of December 31, 2025 TL 2,879,117 of other financial assets consist of venture capital investment funds (December 31, 2024: TL 1,366,186).

2.d Positive differences related to derivative financial assets:

Derivative Instruments (1)	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	194.706	31.148	3.294	511
Swap Transactions	785.429	659.811	692.662	1.241.834
Futures Transactions	-	-	-	-
Options	-	872	-	-
Other	-	-	-	-
Total	980.135	691.831	695.956	1.242.345

(1) Derivative Financial Assets for Hedging Purposes amounting to TL 215.768 are presented in the "Derivative Financial Assets" account (December 31, 2024: TL 1.119.407).

As part of its economic hedging strategy, the Parent Bank has implemented TL cross currency interest rate swap transactions in which the Parent Bank's default risk is the reference. These swap agreements are subject to a direct closing condition for both the Parent Bank and the counterparty, in the event of a credit default event (such as a non-payment) related to the Parent Bank, to cancel the amounts accrued in the contract and all future payments for both the Parent Bank and the counterparty. As of December 31, 2025, the market rediscount value of this swap transaction with a nominal amount of 25 million dollars is TL 771.389 and the maturity is 2027 (December 31, 2024: The market revaluation value of the swaps with a nominal amount of USD 25 million is TL 551,146).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

3. Information on banks and foreign bank accounts

3.a Information on banks:

	Current Period (I)		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	296.522	6.289.236	98.215	6.455.397
Foreign	-	2.473.813	-	1.350.261
Branches and head office abroad	-	-	-	-
Total	296.522	8.763.049	98.215	7.805.658

(1) An expected loss provision of TL 6.688 has been allocated to the "Banks" account. (31 December 2024: TL 2.239)

3.b Information on foreign banks:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	631.694	4.471	-	-
USA and Canada	444.057	15.210	-	-
OECD Countries (1)	1.398.062	1.330.580	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	2.473.813	1.350.261	-	-

(1) OECD countries other than European Union countries, USA and Canada.

4. Available-for-sale financial assets subject to repurchase agreements:

4.a.1 Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	2.087.808	-	1.985.056
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	2.087.808	-	1.985.056

4.a.2 Information on financial assets at fair value through other comprehensive income given as collateral or blockage:

As of balance sheet date, all financial assets at fair value through other comprehensive income given as collateral comprise of financial assets issued by the Ministry of Treasury and Finance. The carrying value of those assets is TL 8.133.602.(31 December 2024: TL 5.366.843).

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	6.453.466	1.680.136	4.271.767	1.095.076
Other	-	-	-	-
Total	6.453.466	1.680.136	4.271.767	1.095.076

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

4. Information on financial assets at fair value through other comprehensive income (continued)

4.b Major types of financial assets at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income comprised of government bonds 67,21%, Eurobonds 23,86% and shares and other securities 8,93% (December 31, 2024: 63,43% government bonds, 27,35% Eurobonds, 9,22% shares and other securities).

4.c Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	25.245.640	17.263.215
Quoted on a stock exchange	18.749.421	12.252.801
Unquoted	6.496.219	5.010.414
Share certificates	2.027.376	1.142.375
Quoted on a stock exchange	98.245	96.027
Unquoted	1.929.131	1.046.348
Impairment provision(-)	(52.069)	(101.064)
Total	27.220.947	18.304.526

The net book value of unquoted financial assets at fair value through other comprehensive income share certificates of the Group is TL 1.734.029 (December 31, 2024: TL 1.041.454).

5. Explanation on loans

5.a Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	124.490	-	307.580	-
Corporate shareholders	124.490	-	307.580	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	17.438	-	7.975	-
Total	141.928	-	315.555	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
5. Explanation on loans (continued)
- 5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:

Current Period (1)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Amendments on Conditions of Contract	
Cash Loans			Loans with Revised Contract Terms	Refinance
Non-specialized loans	212.433.669	-	16.424.519	-
Working Capital loans	29.959.400	-	4.892.355	-
Export loans	1.534.305	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	16.179.897	-	-	-
Consumer loans	17.438	-	-	-
Credit cards	-	-	-	-
Other	164.742.629	-	11.532.164	-
Specialized loans	-	-	-	-
Other receivables	4.720.105	-	-	-
Total	217.153.774	-	16.424.519	-

(1) According to Bank account plan purchasing Loans, amounting to TL 7.816.498 shown under "Working Capital Loans", due to the nature of "Investment" shown under the category "other" in the above footnote.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
5. Explanations on loans (continued)
- 5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans: (continued):

Prior Period (1)	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Amendments on Conditions of Contract	
Cash Loans			Cash Loans	Refinance
Non-specialized loans	151.163.749	-	11.004.983	-
Working Capital loans	25.148.155	-	4.186.792	-
Export loans	1.676.480	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	14.736.143	-	-	-
Consumer loans	7.975	-	-	-
Credit cards	-	-	-	-
Other	109.594.996	-	6.818.191	-
Specialized loans	-	-	-	-
Other receivables	3.017.363	-	-	-
Total	154.181.112	-	11.004.983	-

(1) According to Parent Bank account plan purchasing Loans, Fleet Leasing Credits, Refinancing Loans and Portfolio Transfer Credits amounting to TL 1.850.902 shown under "Working Capital Loans", due to the nature of "Investment" shown under the category "other" in the above footnote.

	Current Period		Prior period	
	Standard Loans	Loans under Close Monitoring	Standard Loans	Loans under Close Monitoring
12 Months Expected Credit Loss	1.067.259	-	957.906	-
Significant Increase in Credit Risk	-	5.352.876	-	3.882.690

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (continued)

5. Explanations on loans (continued)

5.c Loans according to their maturity structure:

Current Period	Standard Loans	Loans Under Close Monitoring	
		Nonstructured	Restructured
Short-term loans	9.255.519	-	1.945.082
Non-specialized loans	4.535.414	-	1.945.082
Specialized loans	-	-	-
Other receivables	4.720.105	-	-
Medium and Long Term Loans	207.898.255	-	14.479.437
Non-specialized loans	207.898.255	-	14.479.437
Specialized loans	-	-	-
Other receivables	-	-	-

Prior Period	Standard Loans	Loans Under Close Monitoring	
		Nonstructured	Restructured
Short-term loans	6.772.032	-	1.488.930
Non-specialized loans	3.754.669	-	1.488.930
Specialized loans	-	-	-
Other receivables	3.017.363	-	-
Medium and Long Term Loans	147.409.080	-	9.516.053
Non-specialized loans	147.409.080	-	9.516.053
Specialized loans	-	-	-
Other receivables	-	-	-

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the assets (continued)

5. Explanations on loans (continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	4.926	12.512	17.438
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	4.926	12.512	17.438
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	4.926	12.512	17.438

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanations on loans (continued)
5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

Prior Period	Short Term	Medium and Long	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	3.373	4.602	7.975
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	3.373	4.602	7.975
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	3.373	4.602	7.975

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
5. Explanations on loans (continued)
5.e Information on commercial loans with instalments and corporate credit cards:

The Parent Bank has not granted any commercial loans with instalments and corporate credit cards as of the reporting date (December 31, 2024: None).

5.f Loans according to borrowers:

	Current Period	Prior Period
Public	4.126.451	3.102.769
Private	229.451.842	162.083.326
Total	233.578.293	165.186.095

5.g Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	232.967.669	164.737.890
Foreign Loans	610.624	448.205
Total	233.578.293	165.186.095

5.h Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	1.857.740	2.039.383
Indirect loans granted to subsidiaries and associates	-	-
Total	1.857.740	2.039.383

5.i Specific provisions provided against loans or default (Stage 3) provisions:

	Current Period	Prior Period
Loans and receivables with limited collectability	2.406.119	1.459.431
Loans and receivables with doubtful collectability	-	5.170
Uncollectible loans and receivables	1.838.704	1.758.182
Total	4.244.823	3.222.783

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)**
5. Explanations on loans (continued)
5.j Information on non-performing loans (net):
5.j.1 Information on loans and other receivables that have been restructured by the bank from non-performing loans:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans ¹⁾
Current Period			
Gross amounts before provisions	48.043	-	1.670.358
Restructured loans	48.043	-	1.670.358
Prior period			
Gross amounts before provisions	467.612	10.339	1.669.713
Restructured loans	467.612	10.339	1.669.713

5.j.2 Movement of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Prior Period End Balance	1.904.537	10.339	1.765.611
Additions (+)	3.835.611	-	8.799
Transfers from Other Categories of Non-performing Loans (+)	-	-	1.436.925
Transfers to Other Categories of Non-performing Loans (-)	1.436.925	-	-
Collections (-)	420.835	10.339	1.372.870
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards ¹	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	-	-	239
Current Period End Balance	3.882.388	-	1.838.704
Provisions (-)	2.406.119	-	1.838.704
Net Balance on Balance Sheet	1.476.269	-	-

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)**
5. Explanations on loans (continued)
5.j Information on non-performing loans (net) (continued):
5.j.2 Movement of non-performing loans (continued):

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Prior period			
Prior Period End Balance	2.237.702	1.450.294	258.132
Additions (+)	265.657	-	2.898
Transfers from Other Categories of Non-performing Loans (+)	-	314.210	1.578.447
Transfers to Other Categories of Non-performing Loans (-)	506.270	1.386.387	-
Collections (-)	92.635	367.778	73.963
Write-offs (-) (1)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards ¹	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	83	-	97
Current Period End Balance	1.904.537	10.339	1.765.611
Provisions (-)	1.459.431	5.170	1.758.182
Net Balance on Balance Sheet	445.106	5.169	7.429

(1) The amount relating to the real estate acquired by the Bank due to its non-performing loans is shown in the collections line.

5.j.3 Information on foreign currency non-performing loans and other receivables:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period:			
Period End Balance	-	-	1.344
Provisions (-)	-	-	1.344
Net Balance on Balance Sheet	-	-	-
Prior Period			
Period End Balance	-	-	1.105
Specific Provision (-)	-	-	1.105
Net Balance on Balance Sheet	-	-	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net) (continued):

5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group Loans With Limited Collectability	IV. Group Loans With Doubtful Collectability	V. Group Uncollectible Loans
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	3.882.388	-	1.827.358
Provision Amount (-)	2.406.119	-	1.827.358
Loans to Real Persons and Legal Entities (Net)	1.476.269	-	-
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	11.346
Provision Amount (-)	-	-	11.346
Other Loans and Receivables (Net)	-	-	-

	III. Group Loans With Limited Collectability	IV. Group Loans With Doubtful Collectability	V. Group Uncollectible Loans
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	1.904.537	10.339	1.758.139
Provision Amount (-)	1.459.431	5.170	1.750.710
Loans to Real Persons and Legal Entities (Net)	445.106	5.169	7.429
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	7.472
Provision Amount (-)	-	-	7.472
Other Loans (Net)	-	-	-

5.j.5 Information on interest accruals, rediscout, and valuation differences calculated for non-performing loans and their provisions:

	III.Group Loans With Limited Collectability	IV.Group Loans With Doubtful Collectability	V.Group Uncollectible Loans
Current Period (Net)	-	-	-
Interest Accruals and Rediscout with Valuation Differences	-	-	239
Provision amount (-)	-	-	239
Prior Period (Net)	-	-	-
Interest Accruals and Rediscout with Valuation	83	-	97
Differences (-)	83	-	97

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5.k Main principles of liquidating non-performing loans and receivables:

In case of existence of the collateral elements stated in Article 13 of the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables to be set aside for these, these elements are liquidated as soon as possible because of both administrative and legal initiatives and liquidation of the receivables is ensured.

In the absence of collateral, the debtor is provided with an insolvency certificate, but in various periods, intense intelligence is made and the legal asset is applied to determine the acquired assets.

Legal procedures followed before and after; on the financial information of the company when the creditor deemed able to live in the investigation that will be made by the Bank and if it contributed to the economy in relation to firms that dominate considers that contributed to production, efforts are made to the liquidation of receivables agreement.

5.l Explanations about the write-off policies from the assets:

Within the scope of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions for These" published in the Official Gazette dated November 27, 2019 and numbered 30961, loans classified as "Fifth Group-Uncollectible Loans", for which there is no reasonable expectation of recovery, can be excluded from the balance sheet. The deduction of the loans that cannot be collected from the records is an accounting application and does not result in the waiver of the right to receive them.

The Bank allocates expected loan loss provisions within the scope of TFRS 9 for the parts of the loans that are not expected to be collected, and the details are given in VIII. Explanations on impairment of financial assets and Calculation of expected credit losses are given under the headings. Amounts written off during the period are disclosed in the footnotes of the financial statements.

As of December 31, 2025, the Bank has not written-off loans. (December 31, 2024: None).

6. Information on held-to-maturity investments:

6.a The information was subjected to repo transactions and given as collateral/blocked amount of investments:

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralized/Blocked Investments	1.158.990	2.851.665	2.621.515	4.120.258
Subject to Repurchase Agreements	1.287.855	3.941.602	2.666.448	131.383
Total	2.446.845	6.793.267	5.287.963	4.251.641

6.b Information on government debt investments held-to-maturity:

	Current Period	Prior Period
Government Bonds	27.380.448	24.219.715
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	27.380.448	24.219.715

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

6.c Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities		
Quoted on a Stock Exchange	9,864,686	9,949,963
Not Quoted	17,515,762	14,269,752
Impairment provision (-)	-	-
Total	27,380,448	24,219,715

6.d Movement of held-to-maturity investments within the year:

	Current Period	Prior Period
Balance at Beginning of the Period	24,219,715	18,894,112
Foreign Currency Differences in Monetary Assets	3,217,511	2,121,701
Purchases During the Period	33,357	3,194,001
Disposals Through Sales and Redemptions (-)	1,709,071	704,972
Impairment Provision (-)	-	-
Interest Income Accruals	1,618,936	714,873
Balance at End of Period	27,380,448	24,219,715

(1) Expected credit loss amounting to TL 19,340 is allocated in "Financial asset measured at amortized cost" (December 31, 2024: TL 20,200)

7. Information on investments in associates (net):

7.a As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated associates and reason for not consolidating:

Subsidiaries that were not included in the scope of consolidation because they were not financial subsidiaries were valued according to the equity method.

7.b Information on unconsolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	İstanbul/Türkiye	17,83	18,76
2	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	İzmir/Türkiye	10,05	20,10

Non-financial associates, as above, are not consolidated in accordance with the Communiqué on "Preparing Consolidated Financial Statements of the Banks".

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit /Loss	Prior Period Profit/Loss	Fair Value
1	Terme (1)	32.333	29.355	-	-	(9)	(7)	-
2	Ege Tarım	83.426	49.408	65.187	2.945	13.197	15.999	-

(1) Represents for the period ended 30 June 2025 financial statements. Prior year profit/loss is obtained from 30 June 2024 financial statements.

Information on associates disposed of in the current period

In the current period the Group has not disposed of any associates.

Information on associates purchased in the current period

In the current period the Group has not purchased any associates.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

7. Information on investments in associates (net) (continued):

7.c Information on the consolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	İş Faktoring A.Ş. (İş Faktoring)	İstanbul/Türkey	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	İstanbul/Türkey	29,46	60,97
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (İş Girişim)	İstanbul/Türkey	17,69	62,07

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	İş Faktoring	38.822.422	6.320.845	51.178	11.149.918	-	1.990.659	1.000.450
2	İş Finansal (1)	101.221.396	13.453.550	139.471	16.850.504	-	3.630.137	1.925.193
3	İş Girişim (1) (2)	14.523.035	10.723.243	17.674	87.378	-	5.744.130	1.945.145

(1) Fair value is calculated based on the stock market value as of December 31, 2025.

(2) The financial information of the company consists of the amounts not subject to inflation accounting as stated in the company's special disclosure, and these balances have been adjusted and used in the financial statements of the parent company Bank in accordance with the group's accounting policies.

	Current Period	Prior Period
Balance at the Beginning of the Period	4.201.492	2.825.834
Movements During the Period	1.306.875	1.375.658
Purchases (2)	200.000	-
Bonus Shares Received	-	-
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase/Decrease (1)	1.106.875	1.375.658
Provision for Impairment (-)	-	-
Other	5.508.367	4.201.492
Balance at the End of the Period	-	-
Capital Commitments	-	-

(1) Includes accounting differences with the equity method

(2) Following the capital increase of TRY 800,000,000 (full amount) carried out by İş Girişim, the Bank has acquired shares in İş Girişim amounting to TRY 200,000.

Information on associates disposed of in the current period

In the current period the Group has not disposed of any associates.

Information on associates purchased in the current period

In current period the Group has not purchased any associates.

7.d Sectoral information of consolidated associates and the related carrying amounts in the legal books:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	1.374.783	1.014.392
Leasing Companies	3.558.056	2.632.351
Financial Service Companies i	-	-
Other Financial Associates	570.562	549.582

7.e Information on consolidated associates quoted on stock market:

	Current Period	Prior Period
Associates Quoted on Domestic Stock Markets	4.128.618	3.181.933
Associates Quoted on Foreign Stock Markets	-	-

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
8. Information related to subsidiaries (net)
- 8.a Information related to equity component of subsidiaries:

	YF	TSKB GYO
Current Period (1)	Current Period	Current Period
CORE CAPITAL		
Paid-in Capital	400.000	650.000
Share Premium	-	1.136
Legal Reserves	26.866	8.206
Other Comprehensive Income/Loss according to TAS	468.631	-
Current and Prior Years' Profit	825.823	5.505.961
Leasehold Improvements (-)	4.445	-
Intangible Assets (-)	4.772	107
Total Core Capital	1.712.103	6.165.196
Supplementary Capital	-	-
Capital	-	-
Net Available Capital	1.712.103	6.165.196

(1) The information is obtained from financial statements subject to consolidation as of December 31, 2025.

	YF	TSKB GYO
Prior Period (1)	Prior Period	Prior Period
CORE CAPITAL		
Paid in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	19.684	8.448
Other Comprehensive Income/Loss according to TAS	28.286	-
Current and Prior Years' Profit	836.364	4.055.563
Leasehold Improvements (-)	4.120	-
Intangible Assets (-)	1.160	73
CORE CAPITAL Total	942.554	4.715.074
Supplementary Capital	-	-
Capital	-	-
Net Available Capital	942.554	4.715.074

(1) The information is obtained from financial statements subject to consolidation as of December 31, 2024.

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit has been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the Article of 519 of the Turkish Commercial Code No 6102. The Parent Bank's internal capital adequacy assessment process is made annually on a consolidated basis. Consolidated subsidiaries and associates are included in the assessment.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and disclosures related to the consolidated assets (continued)
8. Information related to subsidiaries (net) (continued)
- 8.b As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated subsidiaries and reason for not consolidating and needed capital if they are subject to capital requirement:

TSKB Gayrimenkul Değerleme A.Ş., and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. are valued at cost and are not consolidated since they are not financial subsidiaries. Unconsolidated subsidiaries of the Parent Bank are not subject to minimum capital requirement.

8.c Information related to unconsolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Gayrimenkul Değerleme A.Ş. (TSKB GMD)	İstanbul /Türkiye	100,00	100,00
2	TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (TSKB SD)	İstanbul/Türkiye	100,00	100,00

		Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	TSKB GMD	206.058	142.749	26.815	29.762	-	56.000	43.893	-
2	TSKB SD	39.540	29.459	2.762	5.749	-	10.358	4.315	-

8.d Information related to consolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Yatırım Finansman Menkul Değerler A.Ş.(YF)	İstanbul /Türkiye	95,78	98,51
2	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	İstanbul/Türkiye	88,61	88,61

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
YF (1)	10.719.293	1.722.893	250.537	2.296.790	368.953	356.708	335.579	-
TSKB GYO (2)(3)	6.995.207	6.191.132	6.729.508	29.637	-	1.472.209	1.369.456	3.952.170

(1) The financial information of the company consists of the amounts not subject to inflation accounting as stated in the company's special disclosure, and these balances have been adjusted and used in the financial statements of the parent company Bank in accordance with the group's accounting policies.

(2) The consolidated financial data of the subsidiaries are prepared in accordance with BRSA regulations.

(3) Fair value is calculated based on the stock market value as of December 31, 2025.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
8. Information related to subsidiaries (net) (continued)
8.e Movement table for subsidiaries:

Unconsolidated movement related subsidiaries subjected to consolidation is as follows:

	Current Period	Prior Period
Balance at the Beginning of the Period	5,219,274	3,676,484
Movements During the Period	2,065,562	1,542,790
Purchases	-	-
Bonus Shares Obtained	-	-
Current Year Shares of Profit	-	-
Sales	-	(801)
Revaluation Increase (1)	2,065,562	1,543,591
Provision for Impairment	-	-
Balance At the End of the Period	7,284,836	5,219,274
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(1) Includes accounting differences with the equity method.

According to the principles of consolidation accounting, the cost values of the consolidated subsidiaries have been deducted from the accompanying consolidated financial statements.

Subsidiaries disposed of in the current period

In the current period, the Group has not disposed of any subsidiaries.

Subsidiaries purchased in the current period

In the current period, the Group has not purchased any subsidiaries.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)
8. Information on subsidiaries (net) (continued)
8.f Sectoral information on subsidiaries subject to consolidation and the related carrying amounts in the books:

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Financial Subsidiaries	7,112,628	5,085,830

- 8.g Subsidiaries subject to consolidation quoted on stock market:

	Current Period	Prior Period
Subsidiaries quoted on domestic stock exchanges	5,463,928	4,177,984
Subsidiaries quoted on foreign stock exchanges	-	-

9. Information related to entities under common control

TSKB GYO, one of the subsidiaries of the Parent Bank, established a joint venture with Bilici Yatırım Sanayi ve Ticaret A.Ş. in Adana under the name of Adana Otel Projesi Adi Ortaklığı ("Adana Hotel Project") on 26 May 2011 and Anavarza Otelcilik Anonim Şirketi on 27 June 2015.

The capital structure of the Adana Otel Projesi Adi Ortaklığı ("Adana Hotel Project") is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Adana Otel Projesi Adi Ortaklığı is to start, execute, and complete the hotel project which will be operated by Divan Turizm İşletmeleri A.Ş. (previous name "Palmira Turizm Ticaret A.Ş.").

The capital structure of Anavarza Otelcilik Anonim Şirketi is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Anavarza Otelcilik Anonim Şirketi is tourism-oriented hotels, motels, accommodation facilities, gastronomy, sports, entertainment and health care.

Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi, owned by TSKB GYO with 50%-50% Bilici Yatırım Sanayi ve Ticaret A.Ş. has been transformed into a company named "Yarsuvat Turizm Anonim Şirketi" together with all its assets and liabilities, as a whole, by changing the type.

Transformation of Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi to Yarsuvat Turizm Anonim Şirketi and after transformation transfer to Anavarza Otelcilik A.Ş. with all its assets and liabilities as a whole was completed with the Merger document of Adana Chamber of Commerce dated 20 December 2019 and numbered 9647.

	Total Assets	Equity	Total Fixed Assets	Interest Income	Securities Income	Current Year Profit /Loss	Prior Year Profit /Loss	Fair Value
Anavarza Otelcilik	163.875	122.660	12.484	35.146	-	76.779	48.955	-

10. Information on finance lease receivables (net)

- 10.a Maturities of investments on finance leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	137.544	116.264	49.502	42.888
Between 1- 4 years	579.972	480.321	113.032	91.573
More than 4 years	655.192	552.153	353.471	283.092
Total	1,372,708	1,148,738	516,005	417,553

An expected loss provision amounting to TL 158,668 (December 31, 2024: 117,847 TL) has been allocated to the "Financial Lease Receivables" account.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

10. Information on finance lease receivables (net) (continued)

10.b The information on net investments in finance leases:

	Current Period	Prior Period
Gross investments in finance leases	1.372.708	516.005
Unearned revenue from finance leases (-)	223.970	98.452
Cancelled finance leases (-)	-	-
Net investments in finance leases	1.148.738	417.553

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement:

Finance lease agreements are made in accordance with the related articles of Financial Leasing, Factoring and Financing Company Law No. 6361. There are no restructuring or restrictions having material effect on financial statements.

11. Information on fair value hedge accounting

11.a Information on derivative financial assets for hedging purposes:

There is a positive difference amounting to TL 215.768 related to derivative financial assets for hedging purposes (December 31, 2024: positive differences amounting to TL 1.119.407).

As of December 31, 2025, the contract amounts and the net fair value carried on the balance sheet of derivative financial instruments designated as hedging instruments are summarized in the table below:

	Current Period			Prior Period		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swap	61.123.629	206.853	94.907	38.602.372	18.436	417.848
FC	61.123.629	206.853	94.907	38.602.372	18.436	417.848
TL	-	-	-	-	-	-
Swap Currency Transactions	28.405.993	8.915	467.014	30.696.329	1.100.971	-
FC	28.405.993	8.915	467.014	30.696.329	1.100.971	-
TL	-	-	-	-	-	-

11.b Information on fair value hedge accounting

Current Period	Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income St Effect (Profit/Loss Through Derivative Financial Instrument)
					Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond	Interest Rate Risk		(280.410)	193.029	-	(87.381)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk		64.253	-	(68.336)	(4.083)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk		(54.984)	122.280	-	67.296

(1) The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

11.b Information on fair value hedge accounting (continued)

Prior Period	Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income St Effect (Profit/Loss Through Derivative Financial Instrument)
					Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond	Interest Rate Risk		(27.268)	21.597	-	(5.671)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk		106.172	-	(113.852)	(7.680)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk		(73.032)	104.084	-	31.052

(1) The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

12. Information on tangible assets

The property is located within the Group's tangible assets are accounted for by the scope of TAS 16 valuation. For the year 2025, appraisal companies authorized by the CMB and BRSA have been appraised, and the value increases based on the appraisal results have been accounted for in the relevant accounts.

Current Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluation Surplus	Current Period End
Cost:					
Land and buildings	2.990.258	-	-	936.460	3.926.718
Assets held under finance leases	6.843	9.325	-	-	16.168
Vehicles	19.503	38.735	(3.939)	-	54.299
Right to use Securities-Real Estate	61.705	51.373	(399)	-	112.679
Assets held for resale	-	-	-	-	-
Other	191.561	125.194	(1.940)	-	314.815
Total Cost	3.269.870	224.627	(6.278)	936.460	4.424.679
Accumulated depreciation					
Land and buildings	(4.568)	(1.369)	-	-	(5.937)
Assets held under finance leases	(1.874)	(2.195)	-	-	(4.069)
Vehicles	(6.456)	(8.674)	2.668	-	(12.462)
Right to use Securities-Real Estate	(31.769)	(24.889)	264	-	(56.394)
Assets held for resale	-	-	-	-	-
Other	(68.468)	(22.502)	1.109	(4)	(89.865)
Total accumulated depreciation	(113.135)	(59.629)	4.041	(4)	(168.727)
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	3.156.735	164.998	(2.237)	936.456	4.255.952

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

12. Information on tangible assets (net) (continued)

Prior Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluation Surplus	Period End
Cost					
Land and buildings	2.144.569	192	-	845.497	2.990.258
Assets held under finance leases	4.446	2.397	-	-	6.843
Vehicles	15.028	4.904	(429)	-	19.503
Right to use Securities-Real Estate	50.838	10.867	-	-	61.705
Assets held for resale	-	-	-	-	-
Other	104.353	89.961	(2.753)	-	191.561
Total Cost	2.319.234	108.321	(3.182)	845.497	3.269.870
Accumulated depreciation					
Land and buildings	(3.355)	(1.213)	-	-	(4.568)
Assets held under finance leases	(278)	(1.596)	-	-	(1.874)
Vehicles	(3.811)	(3.074)	429	-	(6.456)
Right to use Securities-Real Estate	(20.538)	(11.231)	-	-	(31.769)
Assets held for resale	-	-	-	-	-
Other	(53.997)	(17.061)	2.590	-	(68.468)
Total accumulated depreciation	(81.979)	(34.175)	3.019	-	(113.135)
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	2.237.255	74.146	(163)	845.497	3.156.735

13. Information on intangible assets

13.a Useful lives and amortization rates used:

Tangible fixed assets are reflected in the financial statements at their acquisition cost, less accumulated depreciation and any permanent impairment provisions. Assets that are under construction for leasing, administrative purposes, or other purposes not yet determined are subject to depreciation once they become available for use.

13.b Amortization methods used:

The intangible assets are amortized principally on straight line basis which amortize the assets over their expected useful lives.

SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets (continued)

13.c Cost and accumulated amortization at the beginning and end of the period:

Current Period	Beginning of Current Period		End of Current Period	
	Gross Book Value	Accumulated Amortization	Gross Book Value	Accumulated Amortization
Software	27.094	(19.876)	55.919	(30.032)
Goodwill	1.005	-	1.005	-

Prior Period	Beginning of Prior Period		End of Prior Period	
	Gross Book Value	Accumulated Amortization	Gross Book Value	Accumulated Amortization
Software	24.155	(17.043)	27.094	(19.876)
Goodwill	1.005	-	1.005	-

13.d Movement of cost and accumulated amortization for the period:

Current Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Current Period
Cost				
Software	27.094	28.828	(3)	55.919
Goodwill	1.005	-	-	1.005
Total Cost	28.099	28.828	(3)	56.924
Accumulated Amortization				
Software	(19.876)	(10.159)	3	(30.032)
Goodwill	-	-	-	-
Total Accumulated Amortization	(19.876)	(10.159)	3	(30.032)
Impairment Provision				
Software	-	-	-	-
Total Impairment Provision	-	-	-	-
Net Book Value	8.223	18.669	-	26.892

Prior Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Period
Cost				
Software	24.155	3.417	(478)	27.094
Goodwill	1.005	-	-	1.005
Total Cost	25.160	3.417	(478)	28.099
Accumulated Amortization				
Software	(17.043)	(3.311)	478	(19.876)
Goodwill	-	-	-	-
Total Accumulated Amortization	(17.043)	(3.311)	478	(19.876)
Impairment Provision				
Software	-	-	-	-
Total Impairment Provision	-	-	-	-
Net Book Value	8.117	106	-	8.223

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets (continued)

13.e The net book value, description and the remaining amortization period of any material individual intangible asset in the financial statements:

As of the reporting date, the Group has no individual intangible asset which is material to the financial statements as a whole (December 31, 2024: None).

13.f Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition:

As of the reporting date, the Group has no intangible assets acquired through government grants (December 31, 2024: None).

13.g The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition:

As of the reporting date, the Group has no intangible assets acquired with government incentives (December 31, 2024: None).

13.h The book value of intangible assets that are pledged or restricted for use:

As of the reporting date, the Group has no intangible assets with restricted use or pledged (December 31, 2024: None).

13.i Amount of purchase commitments for intangible assets:

As of the reporting date, the Group has no purchase commitments for intangible assets (December 31, 2024: None)..

13.j Information on revalued intangible assets according to their types:

The Group did not revalue its intangible assets as at the reporting date (December 31, 2024: None).

13.k Amount of total research and development expenses recorded in income statement within the period, if any:

The Group has no research and development costs expense in the current period (December 31, 2024: None).

13.l Information on goodwill:

Goodwill on Consolidation	Effective Share Rate%	Carrying Amount
Yatırım Finansman Menkul Değerler A.Ş.	95,78	1.005

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets (continued)

13.m The carrying value of goodwill at beginning and end of the period, and movements within the period:

	Current Period	Prior Period
Net Value at the Beginning of the Period	1.005	1.005
Changes in the Period:	-	-
Additional Goodwill	-	-
Restatements Arising from Changes in Assets and Liabilities	-	-
Goodwill Written off due to Discontinued Operations or Partial/Full Derecognizing of an Asset (-)	-	-
Impairment Loss (-)	-	-
Reversal of Impairment loss (-)	-	-
Changes in Carrying Value	-	-
Net Value at the End of Period	1.005	1.005

13.n The carrying value of negative goodwill at beginning and end of the period, and movements within the period:

As of the reporting date, the Group has no negative goodwill in the accompanying financial statements (December 31, 2024: None).

14. Information on investment properties

In the current period, the Group owns three investment properties with a net book value of TL 3.263.130 (December 31, 2024: TL 2.403.800) belonging to its subsidiary operating in the field of real estate investment trust. As of December 31, 2025 and December 31, 2024, the table of movement of investment properties is as follows:

Current Period	Opening Balance of Current Period	Additions	Disposals	Change in Fair Value	Closing Balance of Current Period
Tahir Han	383.480	1.492	-	111.503	496.475
Pendorya Mall	1.212.000	26.610	-	405.650	1.644.260
Adana Hotel Project	808.320	-	-	314.075	1.122.395
Total	2.403.800	28.102	-	831.228	3.263.130

Prior Period	Closing Balance of Prior Period	Additions	Disposals	Change in Fair Value	Closing Balance of Prior Period
Tahir Han	221.000	-	-	162.480	383.480
Pendorya Mall	720.000	73.043	-	418.957	1.212.000
Adana Hotel Project	489.350	-	-	318.970	808.320
Total	1.430.350	73.043	-	900.407	2.403.800

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

15. Information on deferred tax assets

15.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax assets:

The Group has computed deferred tax asset or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bases.

Deferred tax asset:	Current Period	Prior Period
Provisions	1.967.288	1.489.428
Loan commissions accrual adjustment	144.529	89.961
Employee benefit provision	65.074	39.221
Securities	-	10.062
Differences in the economic life of tangible fixed assets	1.217	5.732
Others (1)	218.355	118.956
Total Deferred Tax Asset	2.396.463	1.753.360
Deferred tax liabilities:		
Marketable securities	(1.183.791)	(645.501)
Valuation of derivative instruments	(67.819)	(527.528)
Useful life difference of fixed assets	(604.644)	(341.134)
Borrowings commissions accrual adjustment	(402.725)	(166.321)
Others (2)	(100.488)	(94.907)
Total Deferred Tax Liability	(2.359.467)	(1.775.391)
Net Deferred Tax Asset/Liability	36.996	(22.031)

(1) In addition, there is a deferred tax asset in the other item related to right of use assets of TL 12.571 and other provisions of TL 57.000. (December 31, 2024: right of use assets of TL 30.344 and other provisions of TL 30.000)

(2) In the other item, there is also a deferred tax liability related to hedge accounting amounting to TL 19.255. (December 31, 2023: TL 31.832 tax liability).

	Current Period	Prior Period
Deferred Tax as of January 1 Asset / (Liability) - Net	(22.031)	1.480.605
Deferred Tax (Loss) / Gain	476.131	(1.054.593)
Deferred Tax that is Realized Under Shareholder's Equity	(417.104)	(448.043)
Deferred Tax Asset / (Liability) Net	36.996	(22.031)

15.b Temporary differences over which deferred tax assets are not computed and recorded in the balance sheet in prior periods, if so, their expiry date, losses and tax deductions and exceptions:

There are no temporary differences over which deferred tax assets are not computed and recorded in the balance sheet in prior periods. (December 31, 2024: None).

15.c Allowance for deferred tax and deferred tax assets from reversal of allowance:

As of the reporting date, the Bank has no allowance for deferred tax and deferred tax liability from reversal of allowance (December 31, 2024: None).

16. Explanation on assets held for sale:

As of the balance sheet date, the Parent Bank does not have any fixed asset transactions held for sale or discontinued operations (31 December 2024: None).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

17. Information about other assets

17.a Other assets which exceed 10% of the balance sheet total and breakdown of these which constitute at least 20% of grand total:

Other assets do not exceed 10% of total assets, excluding off-balance sheet commitments (December 31, 2024: None).

II. Explanations and disclosures related to the liabilities

1. Information of maturity structure of deposits

1.a.1 Maturity structure of deposits:

The Parent Bank is not authorized to accept deposits.

1.a.2 Information on saving deposits under the guarantee of saving deposit insurance fund and exceeding the limit of deposit insurance fund:

The Parent Bank is not authorized to accept deposits.

1.b Information on the scope of whether the Bank with a foreign head office suit saving deposit insurance of the related country:

The Parent Bank is not authorized to accept deposits.

1.c Saving deposits which are not under the guarantee of deposit insurance funds:

The Parent Bank is not authorized to accept deposits.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

2. Negative differences table related to derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities (1)				
Forward Transactions	172.702	27.489	3.101	486
Swap Transactions	172.211	726.982	157.686	719.414
Futures Transactions	-	-	-	-
Options	-	872	-	-
Other	-	-	-	-
Total	344.913	755.343	160.787	719.900

(1) Derivative Financial Liabilities for Hedging Purposes TL 561.921 (December 31, 2023: TL 417.848.) are shown in the "Derivative Financial Liabilities" account.

3. Information on banks and other financial institutions:

3.a General information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey Loans	-	-	-	-
From Domestic Banks and Institutions	-	304.158	20.916	-
From Foreign Banks, Institutions and Funds	2.726.682	190.587.525	-	123.981.589
Total	2.726.682	190.891.683	20.916	123.981.589

3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	2.726.682	50.077	20.916	-
Medium and long-term	-	190.841.606	-	123.981.589
Total	2.726.682	190.891.683	20.916	123.981.589

3.c Additional information about the concentrated areas of liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Nominal	-	58.883.496	1.890.880	50.565.893
Cost	-	58.659.696	1.890.880	50.370.730
Book Value	-	60.593.749	1.950.424	51.561.928

As of 31 December 2025, the details of the Group's issued securities whose redemption date has not yet come are as follows:

Date of Issuance	Maturity Date	Currency Type	Nominal Amount	Interest Rate	Coupon Payment Frequency
14/01/2021	14/01/2026	USD	350.000.000	5,88%	6 months
19/09/2023	19/10/2028	USD	300.000.000	9,38%	6 months
17/10/2024	17/10/2029	USD	350.000.000	7,13%	6 months
14/01/2025	16/01/2026	USD	10.000.000	5,30%	-
15/01/2025	19/01/2026	USD	20.000.000	5,60%	-
02/07/2025	02/07/2030	USD	350.000.000	7,38%	6 months
14/01/2021	14/01/2026	USD	350.000.000	5,88%	6 months

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

3. Information on banks and other financial institutions

3.d Additional information about the concentrated areas of liabilities (continued)

Under normal banking operations, the Parent Bank provided funds under repurchase agreements and funds borrowed. Fund resources of the Parent Bank particularly consist of foreign FC funds borrowed and FC and TL repurchase transactions. Information relating to funds provided under repurchase agreements is shown in the table below:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds From Repurchase Agreements Transactions (1)				
From Domestic Transactions	990.467	828.672	1.961.247	1.319.277
Financial institutions and organizations	630.171	2.524	1.551.928	-
Other institutions and organizations	360.202	826.148	409.144	1.319.277
Real persons	94	-	175	-
From Foreign Transactions	-	4.213.596	-	-
Financial institutions and organizations	-	4.213.596	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	990.467	5.042.268	1.961.247	1.319.277

(1) The details about the Debts to the Interbank Money Markets are not included in this table. During December 31, 2025, there are no debts to the Interbank Money Markets (December 31, 2024: None).

4. Other liabilities which exceed 10% of the balance sheet total and the breakdown of these which constitute at least 20% of grand total

There are no other liabilities which exceed 10% of the balance sheet total (December 31, 2024: None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

5. Explanations on financial lease obligations (net)

5.a Explanations on finance lease payables:

As of the balance sheet date, 341 computers are subject to financial leasing transactions. In the current period, the Group has a liability of TL 11.384 regarding financial leasing transactions (31 December 2024: TL 5.019).

5.b Explanations regarding operational leases:

As of the reporting date, the Bank's 2 head office buildings, 13 branches, 29 cars and 99 computers and 458 phones are subject to operational leasing. The Bank has no liability for operational leases in the current period (December 31, 2024: 2 head office buildings, 12 branch, 30 cars and 127 computers and 442 phones are subject to under operational leasing). In the current period, the Bank has lease liability with TFRS 16 amounting to TL 82.274 related to operational lease transactions (December 31, 2024: TL 41.552).

5.c Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms:

The Group has no sale and lease back transactions as of the reporting date (December 31, 2024: None).

6. Negative differences on derivative financial instruments held for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (1)	-	561.921	-	417.848
Cash Flow Hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	-	561.921	-	417.848

(1) Derivative Financial Liabilities for Hedging Purposes are shown in the "Derivative Financial Liabilities.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions

7.a Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

As of the reporting date, the Parent Bank has no foreign exchange losses on the foreign currency indexed loans (December 31, 2024: None).

7.b The specific provisions provided for indemnified non cash loans:

As of the reporting date, the Parent Bank's specific provisions provided for indemnified non cash loans amounts to TL 6.545 (December 31, 2024: TL 4.153).

The Parent Bank has an expected loss provision amounting to TL 146.499 for non-cash loans (December 31, 2024: TL 113.417).

7.c Information related to other provisions:

7.c.1 Provisions for possible losses:

As of the balance sheet date, there is a free provision of TL 1.100.000 within the precautionary principle, taking into account possible developments that may occur in the economy and markets. TL 950.000 of the said amount has been allocated in the current period (December 31, 2024: TL 2.050.000).

7.c.2 Information on employee termination benefits and unused vacation accrual:

The Group has calculated the employee rights provision using the actuarial valuation method specified in TAS 19 and reflected it in its financial statements.

The following actuarial assumptions were used in calculating total liabilities.

	Current Period (%)	Prior Period (%)
Real Discount Rate	3,92	3,98
Nominal Discount Rate	26,78	26,70
Inflation Rate	22,00	21,85

As of December 31, 2025, severance pay provision amounting to TL 115.375 (December 31, 2024: TL 82.584) and leave obligation amounting to TL 89.941 (December 31, 2024: TL 42.844) are shown under employee rights provision in the financial statements.

Actuarial loss amounting to TL 5.684 incurred after January 1, 2025 is recognized under equity in accordance with TAS 19 standard (December 31, 2024: TL 49.480 actuarial gain).

Liabilities on pension rights:

As explained in detail in the Note XV, Explanations on Obligations Regarding Employee Rights, in Section Three of the Report, the Parent Bank has no obligations arising from retirement rights as of December 31, 2025. (December 31, 2024: None).

Liabilities for pension funds established in accordance with Social Security Institution

As of December 31, 2025: None (December 31, 2024: None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions (continued)

7.c.2 Information on employee termination benefits and unused vacation accrual (continued):

Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees

As of December 31, 2025, the cash value of the Parent Bank's principal liabilities of the TSKB A.Ş. Civil Servants and Contractors Relief and Pension Foundation fund was calculated by an independent actuary using actuarial assumptions and according to the actuary's report dated January 23, 2026, no technical or actual deficit requiring provision as of December 31, 2025 was identified.

In this context, considering the provisions of the Law explained in the accounting policies regarding "Obligations Regarding the Rights of Employees" numbered 3. XVI for the circuit basic obligations of the Fund, the Parent Bank has no liability as of December 31, 2025 for other social rights and payments in the foundation deed that are outside the circuit principal obligations and the health benefits given to the employees.

Retirement Rights

According to the technical balance sheet reports prepared within the framework of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 and using the specified rate of 9,80% technical interest, it was reported that there was no technical deficit for the Fund as of 31 December 2025 and 31 December 2024.

The Bank's liability as of the balance sheet date regarding the benefits to be transferred to the Social Security Institution is the estimated payment amount that will be required to be made during the transfer to the Social Security Institution, and the actuarial parameters and results used in measuring this amount reflect the provisions of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 regarding the retirement and health benefits to be transferred to the Social Security Institution (9,80% real discount rate, etc.).

In calculating the liability amount for transferable benefits, largely fixed and specific assumptions are used within the framework of the New Law. However, the final amount of liability that the Bank will bear when the transfer is made may vary depending on factors such as the number of participants and the rate of separation, especially the discount rate, inflation and wage increases..

	Current Period	Prior Period
Existence of the Foundation*	365.529	312.255
Employee Contributions	4.503.095	2.725.217
Total Assets	4.868.624	3.037.472
Total Cash Values of Pensions	3.671.223	2.539.967
Total Cash Values of Management Expenses	39.968	27.619
Total Cash Value of Health Benefits	325.592	221.942
Total Liability	4.036.783	2.789.528
Actual and Technical Surplus Amount	831.841	247.944

* The fair values of the assets were taken into consideration.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions (continued)

7.c.2 Information on employee termination benefits and unused vacation accrual (continued)

According to the relevant Actuarial Report, the surplus of the Fund is TL 831.841 as of 31 December 2025 (31 December 2024: TL 247.944).

In the "2. Economic Assumptions" section of Annex-5 of the Circular on Actuarial Audit of Institutions Making Commitments for Retirement (2022/18)", which includes the title "Points to be Considered in the Selection of Assumptions", it is stated that 9.8% real interest rate has been taken as the basis as the discount and return rate for foundations providing services within the scope of the temporary 20th article of the Social Insurance and General Health Insurance Law No. 5510.

Additionally, the "Prime Base Wage Increase" is determined based on the "Prime Base Wage" set by the Social Security Institution (SGK), and it is assumed that members paying premiums will experience a real increase in their earnings and ceiling wages above inflation, taking into account past performance.

According to Article 55 of Law No. 5510, it is foreseen that the inflation rate in the six-month periods of the year will be used as an increase in the next six-month period for retirement pensions. It is assumed that the increase in the obligation in the payments will be made to the retirement pensions according to the 6-month CPI and that the increase in the payments for the Foundation will be at the annual CPI rate.

In line with the actuarial assumptions used in calculating fund liabilities, and taking into account the regulation published in the Official Gazette dated December 19, 2025, and numbered 33112, the ceiling for monthly earnings subject to premiums has been increased from 7.5 times the minimum wage to 9 times the minimum wage, and the employer's long-term insurance contribution rate has been raised from 11% to 12%.

7.c.3 If the other provisions exceed 10% of the sum of the provisions, the items causing the excess and their amounts:

As of December 31, 2025, the Bank reflected the case provision of TL 190.000 (December 31, 2024: TL 100.000) in its financial statements..

7.c.4 If other provisions exceeds 10% of total provisions, the name and amount of sub-accounts:

Apart from the provisions described above, there are no items exceeding 10% of the provision amount. (December 31, 2024: None.)

8. Information on taxes payable

8.a Information on current taxes payable

8.a.1 Information on taxes payable:

	Current Period		Prior Period	
	TL	FC	TL	FC
Corporate Taxes and Deferred Taxes				
Corporate Taxes Payable	272.213	-	313.494	-
Deferred Tax Liability	591.751	-	334.512	-
Total	863.964	-	648.006	-

8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	272.213	313.494
Taxation of Securities	109.199	36.023
Capital gains tax on property	-	-
Banking and Insurance Transaction Tax (BITT)	56.404	53.071
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	10.696	8.499
Other	66.126	38.063
Total	514.638	449.150

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

8. Information on taxes payable (continued)

8.a.3 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	4.046	2.842
Social Security Premiums-Employer	5.436	3.770
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	1.028	727
Unemployment Insurance-Employer	2.006	1.423
Other	-	-
Total	12.516	8.762

8.b Explanations on deferred taxes liabilities:

As of the reporting date, the Group has no deferred tax liability (December 31, 2024: None).

9. Information on liabilities for fixed assets held for sale and discontinued operations:

None (December 31, 2024: None).

10. The number, maturity, interest rate of the Bank's subordinated debt instruments; detailed explanations regarding the institution that is the creditor of the debt instrument and the option to convert it into shares, if any, and information regarding subordinated loans:

As of March 21, 2024, the Bank has secured a sustainable subordinated loan with a nominal amount of USD 300 million and a redemption date of March 21, 2029, with coupon payments every 6 months.

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	13.142.591	-	10.800.864
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	13.142.591	-	10.800.864
Debt Instruments Subject to Tier II Equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	13.142.591	-	10.800.864

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

11. Explanations on shareholders' equity

11.a Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

11.c Information on share capital increases and their sources; other information on increased capital shares in current period:

In line with the decision taken at the Ordinary General Assembly meeting held on 24 March 2025, the Parent Bank has no capital increase in the relevant period.

In line with the decision taken at the Ordinary General Assembly Meeting held on 28 March 2024, there is no capital increase of the Parent Bank in the relevant period.

11.d Information on share capital increases from capital reserves:

None (December 31, 2024 None).

11.e Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments for its associates in the last fiscal year and at the end of the following period (December 31, 2024: None).

11.f Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The prior period income, profitability and liquidity of the Parent Bank and their trends in the successive periods are followed by Budget and Planning Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses. The parent company's balance sheet is managed with prudence to minimize the impact of interest rate, exchange rate, and credit risks.

The Parent Bank operations are profitable, and the Bank retains the major part of its profit by capital increases or capital reserves within the shareholders equity.

11.g Information on preferred shares:

There are no privileges granted to The Parent Bank's shares representing the capital (December 31, 2024: None).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

11. Explanations on shareholders' equity (continued)

11.h Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (1)	958.792	-	1.182.193	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.242.626	499.311	928.597	197.133
Valuation Differences	1.522.321	499.311	470.390	197.133
Foreign Exchange Difference	720.305	-	458.207	-
Total	3.201.418	499.311	2.110.790	197.133

(1) Includes the amounts of investments valued using the equity method included in other comprehensive income.

11.i Information on legal reserves:

	Current Period	Prior Period
First legal reserve	655.522	655.349
Second legal reserve	2.183	1.683
Other Legal Reserves Appropriated In Accordance with Special Legislation	4.040	7.357
Total	661.745	664.389

11.j Information on extraordinary reserves:

	Current Period	Prior Period
Reserves Appropriated by the General Assembly	24.160.667	14.050.300
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Currency Share Capital Exchange Differences	-	-
Total	24.160.667	14.050.300

12. Information on minority shares:

	Current Period	Prior Period
Paid-in-Capital	90.925	76.729
Other Capital Reserves	33	33
Share Premium	129	129
Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	336.274	240.697
Legal Reserves	719	836
Extraordinary Reserves	1.206	739
Other Profit Reserves	-	-
Retained Earnings / Accumulated Losses	242.471	123.300
Net Profit or Loss	103.429	134.773
Total	775.186	577.236

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items

1. Information on off-balance sheet liabilities

1.a Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Letter of Credit	6.038.391	4.401.393
Commitments for Forward Purchase and Sales of Assets	4.829.518	848.301
Commitments for Stock Brokerage Purchase and Sales	113.664	3.169.811
Commitments for Money Market Brokerage Purchase and Sales	396.831	26.951
Commitments from Forward Short Term Borrowing and Transfers	152.834	142.284
Other	4.465.519	1.836.766
Total	15.996.757	10.425.506

(1) The Parent Bank, the European Investment Fund, to be established by Turkish Growth and Innovation Fund (TGIF) purchase of shares of the fund established under the name situated remaining amount that commitment and capital participation commitment regarding the cash capital increase of TSKB Sürdürülebilirlik A.Ş.

1.b Possible losses and commitments related to off-balance sheet items including items listed below:

1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:

As of the reporting date, total letters of credits, surety and acceptance amount to TL 18.569.754 (December 31, 2024: TL 12.837.111).

1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:

As of the reporting date, total letters of guarantee is TL 14.986.989 (December 31, 2024: TL 8.626.888).

1.c.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	10.763.013	4.520.926
With Maturity of One Year or Less than One Year	-	1.402.661
With Maturity of More than One Year	10.763.013	3.118.265
Other Non-Cash Loans	23.339.902	17.074.412
Total	34.102.915	21.595.338

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (continued)

1. Information on off-balance sheet liabilities (continued)

1.c.2 Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	11.116	1	-	-	-	-	-	-
Farming and stockbreeding	11.116	1	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	1.303.012	89	30.000.504	92	3.194.592	95	16.252.567	89
Mining	765	-	45.059	-	4.552	-	1.292.433	7
Manufacturing Industry	109.348	7	18.399.833	57	2.105.252	63	10.803.666	59
Electricity, Gas, Water	1.192.899	82	11.555.612	35	1.084.788	32	4.156.468	23
Construction	819	-	21.335	-	1.972	-	18.027	-
Services	133.164	9	1.806.322	6	134.309	4	1.430.094	8
Wholesale and Retail Trade	-	-	99.552	-	-	-	657	-
Hotel, Food and Beverage Services	-	-	1.706.770	6	-	-	-	-
Transportation and Communication	1.138	-	-	-	1.138	-	1.402.660	8
Financial Institutions	131.096	9	-	-	131.096	4	26.777	-
Real Estate and Leasing Services	930	-	-	-	2.075	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	19.550	1	807.095	2	19.550	1	544.227	3
Total	1.467.661	100	32.635.256	100	3.350.423	100	18.244.915	100

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (continued)

1. Information on off-balance sheet liabilities (continued)

1.c.3 Information on non cash loans classified under Group I and Group II:

	Group I				Group II			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	1.441.386	32.573.730	3.323.785	18.226.233	5.168	61.526	18.331	18.684
Letters of Guarantee (1)	1.441.386	13.497.995	2.791.734	5.808.518	5.168	21.335	18.331	-
Bank Acceptances	-	546.172	-	131.339	-	-	-	-
Letters of Credit	-	18.529.563	532.051	12.286.376	-	40.191	-	18.684
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other Guarantees and	-	-	-	-	-	-	-	-

(1) The amount of the letter of guarantee followed in Group III is TL 21,107 (December 31, 2024: The amounts of the letter of guarantee followed in Groups III and V are TL 11 and TL 8,296 respectively)

2. Information related to derivative financial instruments

As of December 31, 2025, the breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TL equivalents::

Current Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Other Buy	Other Sell	Fair Value Hedge
TL	2.238.669	2.216.394	1.699.702	19.800.374	362.002	362.002	-	-	-
USD	3.662.635	3.658.532	59.083.190	16.194.482	329.228	329.131	-	-	74.991.120
EUR	5.379.119	5.376.851	11.571.526	36.003.532	283.593	283.418	-	-	14.538.502
Other	15.347	15.391	242.510	242.505	-	-	-	-	-
Total	11.295.770	11.267.168	72.596.928	72.240.893	974.823	974.551	-	-	89.529.622

Prior Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Other Buy	Other Sell	Fair Value Hedge
TL	268.295	118.364	2.996.473	13.909.940	22.150	22.150	-	-	-
USD	144.580	302.410	46.030.447	22.009.441	64.799	64.843	-	-	54.382.297
EUR	37.136	37.136	8.159.738	20.340.758	43.284	43.215	-	-	14.916.404
Other	1.641	1.584	859.826	861.222	-	-	-	-	-
Total	451.652	459.494	58.046.484	57.121.361	130.233	130.208	-	-	69.298.701

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

2. Information related to derivative financial instruments (continued):

Derivative Financial Liabilities Held For Trading	Current Period			Prior Period		
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Swap Transactions	886.725	453.915	97.984.201	1.218.696	323.452	58.709.875
Interest Rate Swap Transactions	558.177	444.940	46.853.620	715.800	553.648	56.457.970
Forward Transactions	225.854	200.191	22.562.938	3.805	3.587	911.146
Futures Transactions	1.210	1.210	2.193.750	-	-	299.725
Option Transactions	-	-	-	-	-	-
Other	1.671.966	1.100.256	169.594.509	1.938.301	880.687	116.378.716

Fair value hedges

In the year ended as of December 31, 2025, the Bank had hedging swap interest and money transactions with a nominal amount of TL 89.529.622 (December 31, 2024: TL 69.298.701).

Hedging from the cash-flow risk

As of December 31, 2025 there is no cash-flow hedging transactions (December 31, 2024: None).

3. Explanations on loan derivatives and risk exposures:

It has not been prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Explanations and Footnotes to be Announced to the Public by Banks.

4. Explanations on contingent liabilities and assets:

There are 52 legal cases against the Bank which are amounting to TL 191.167 as of the reporting date (December 31, 2024: TL 156.955 - 68 legal cases).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

4. Information related to derivative financial instruments (continued):

Due to the ownership of Pendorya AVM, which is built on the real estate owned by TSKB REIT registered in Istanbul Province, Pendik District, Doğu Mahallesi, 105 Map, 865 Island, Plot 64, Sağlam Satış ve Paz. Inc. (Malazlar A.Ş.) Pendik 2nd Civil Court of First Instance, prevention of seizure against IMM Presidency and road contractor Karacan Yapı on the grounds that some of the side road construction around Pendorya AVM passes through the parcels owned by it, He filed a lawsuit with the demand for the collection of TL 7 compensation from the defendants, without prejudice to his rights. TSKB REIT intervened alongside the defendants.

Relating to immovable property, subject of litigation discovery review and expert reports were submitted to the court file. Objections to the report and statement of TSKB GYO have been given. IBB Presidency has declared that expropriation proceedings related to the subject have been initiated. For this reason, lawsuit was removed from "Possessory Actions" and converted to the "Confiscating without expropriating" by the judge.

Accepting the new case, the plaintiff claimed compensation from the Administration and in order to determine the amount of compensation the Court decided an expert examination since the information provided by the Land Registry and the Municipality was not deemed sufficient.

Expert reports submitted to the Court on May 30, 2013 and the Court decided to add Pendik Municipality as a defendant in the case. At the latest hearing on December 24, 2013 it was decided to accept the expert reports and Pendik Municipality to pay the relevant amount (645 TL) to the plaintiff. The reasoned decision has been notified, the decision which has been appealed by the appellant and the respondent Pendik Municipality has turned deteriorate the Supreme Court decision was a request for the correction requested by the İstanbul Metropolitan Municipality (IMM). The decision has been requested adjustment by IMM and plaintiff Sağlam Satış ve Paz. A.Ş. (Malazlar A.Ş.). Breaking decision of the Supreme Court is expected to evaluate the requests for correction of decision. The Court decided to apply of Supreme Court's decision to dismiss. The notification of reasoned decision is expected.

Beyoğlu Municipality approved the reclaim of TSKB GYO for the Building II which has the location as 1486 map and 76 parcel in Fındıklı in Beyoğlu, Istanbul for the forfeiture because of zoning change. However, Municipality of Beyoğlu sued because of no approbation by Istanbul Metropolitan Municipality, in order to keep rights on the subject. The court made a decision as no solution for the relevant claim due to Beyoğlu Municipality approved the reclaim. However, there has to be permission by Istanbul Metropolitan Municipality, and Cultural and Natural Heritage Preservation Board for the exact result. That's why, decision was appealed by the company. The Council of State reversed the judgement based on inappropriate zoning plan changes with the decision of 28 June 2014. In addition, a new implementation development plan covering the Fındıklı Building II, which has been canceled by the judicial authorities and which is owned by TSKB GYO, is being prepared by the Municipality of Beyoğlu on December 21, 2010, the 1/1000 Scaled Beyoğlu District Protected Urban Site Protected Development Plan.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

1. Information related to derivative financial instruments (continued):

For this content, TSKB GYO's application were made in writing to the Beyoğlu Municipality on 28 October 2014 in order to plan by taking into account the 1/1000 Scale Implementation Plan which is being prepared by the Municipality of Beyoğlu and the Istanbul Metropolitan Municipality. The court requested the Municipality to ask the plan including the immovable subject to the decision of the Council of State is still in force as a result of the decision of dismissal and that the plan canceled by the court in the letter sent from the Municipality is still valid answered in the form. In the case which was started to discuss again in court; an expert opinion examination was made. The Court has ruled in favor of the Parent Bank by canceling the administrative proceeding. Against decision, within the legal period, Beyoğlu Municipality has applied for the appeal law and it is expected that the file will be sent to Istanbul Regional Administrative Court for examination. The decision to cancel the administrative action given by the Council of State in favor of the Group has been approved and the decision has become final.

A lawsuit was filed by one of the investors of TSKB REIT regarding the cancellation of Articles 5, 7 and 9, which were decided at the Ordinary General Assembly meeting held on April 27, 2018. In the petition, a stay of execution was requested regarding Articles 5 and 7, the request for interim injunction regarding the stay of execution was rejected, and an appeal was filed by the plaintiff. The petition for response to the case and the legal opinion have been submitted. In the first session of the file, it was decided to dismiss the case. The notification of the reasoned decision is awaited.

Regarding the property named Tahir Han, located on Parcel 57, Block 77, Beyoğlu District, Istanbul, in which TSKB GYO holds a 53/72 share; a "Dissolution of Partnership Lawsuit" was filed on December 21, 2005, and the court ruled for "Dissolution of Partnership through Sale". In this context, the sale of the property was completed by auction on May 22, 2024, by the Istanbul Civil Court Sales Office. The notification of the auction was served by the sales office on May 23, 2024. The other shareholder filed a lawsuit for the annulment of the auction. The lawsuit was dismissed, and after appeal and cassation, the decision was finalized in favor of the Group. Since an appeal for correction has been filed against the decision, the finalization process is still ongoing. The notification of the reasoned judgment is awaited.

According to the Legal Department of the Parent Bank, other lawsuits filed against the Parent Bank are not expected to have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

5. Custodian and intermediary services:

The Parent Bank does not have any activities such as custody or placement on behalf of real or legal persons, foundations, retirement insurance funds or other institutions. The details of the securities received as deposits are shown in the off-balance sheet accounts table. The Parent Bank does not provide trading and safe keeping services in the name and account of real people, legal entities, funds, pension funds and other entities, which are presented in the statement of contingencies and commitments.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement

1. Information on interest income

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans (1)				
Short Term Loans	2.138.041	312.881	1.459.641	490.611
Medium and Long Term Loans	4.853.506	15.113.165	3.501.172	12.720.066
Interest on Non-performing Loans	13.489	338.909	35.646	55.682
Premiums received from Resource Utilization	-	-	-	-
Support Fund	-	-	-	-
Total	7.005.036	15.764.955	4.996.459	13.266.359

(1) Commission income from loans has been included to the interest on loans..

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey (1)	315	-	752	-
Domestic Banks	19.113	127.264	124.256	98.053
Foreign Banks	-	1.052	-	6.604
Branches and Head Office Abroad	-	-	-	-
Total	19.428	128.316	125.008	104.657

(1) Interests given to the Turkish Lira and US Dollar portion of the CBRT Required Reserves, reserve options and unrestricted accounts have been presented under "The Central Bank of Turkey" line in the financial statements.

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit and Loss	4.005	-	12.868	-
Financial Assets at Fair Value Through Other Comprehensive Income	6.068.116	359.342	2.999.177	333.688
Financial Assets Measured at Amortized Cost	2.876.557	1.245.340	4.097.551	975.369
Total	8.948.678	1.604.682	7.109.596	1.309.057

As stated in the accounting policies, the Parent Bank makes the valuation of the government bonds Indexed to Consumer Prices in its securities portfolio on the basis of the reference index on the date of issuance and the index calculated by taking into account the estimated inflation rate. The estimated inflation rate used in the valuation is updated when deemed necessary during the year.

As of December 31, 2025, the valuation of the said securities was calculated using the October 2024 - October 2025 annual actual index rate 32.87%. (December 31, 2024: 48.6%).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

1. Information on interest income (continued)

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	232.532	206.446

2. Information on interest expenses

2.a Information on interest income received from associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	850.421	2.855.346	608.004	2.627.378
The Central Bank of Turkey	-	-	-	-
Domestic Banks	167.327	(70.416)	185.770	254.867
Foreign Banks	683.094	2.925.762	422.234	2.372.511
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	230.980	5.367.609	-	4.760.930
Total (1)	1.081.401	8.222.955	608.004	7.388.308

(1) Commissions given to the Banks and Other Institutions are presented under interest expense.

2.b Information on interest expenses to associates and subsidiaries:

There is no interest expense to its associates and subsidiaries (December 31, 2024: None).

2.c Information on interest expense to securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on securities issued (1)	35.067	5.059.028	83.202	3.708.905

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	72.936	30.206
Financial Assets at Fair Value Through Other Comprehensive Income	9.647	3.022
Other	-	3.841
Total	82.583	37.069

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

4. Information on net trading income (net)

	Current Period	Prior Period
Profit	20.752.982	43.038.072
Gains on capital market operations	904.234	235.660
Gains on derivative financial instruments (1)	6.863.381	7.603.158
Foreign exchange gains	12.985.367	35.199.254
Losses (-)	(21.080.996)	(45.114.817)
Losses on capital market operations	(57.530)	(124.417)
Losses on derivative financial instruments (1)	(19.470.019)	(9.028.790)
Foreign exchange losses	(1.553.447)	(35.961.610)

(1) The amount of profit arising from exchange rate changes related to derivative transactions in the amount of TL 1.492.904; In "Profit from Derivative Financial Transactions" (December 31, 2024: TL 3.670.715); TL (14.113.554) Amount of loss arising from exchange rate changes related to derivative transactions; It is included in the "Loss from Derivative Financial Transactions" (December 31, 2024 TL (5.193.240)).

5. Information related to other operating income

	Current Period	Prior Period
Provisions Released	1.652.854	789.642
Gains on Sale of Assets	13.343	535
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	13.343	535
From Other Asset Sales	-	-
Other (1)	2.621.123	1.613.798
Total	4.287.320	2.403.975

(1) Also includes the income amount of TL 346.667 related to the intermediary issues of Yatırım Varlık Kiralama A.Ş. (December 31, 2024: TL 540.391). The same amount is included in other operating expenses as well, and it is shown as gross without netting for reporting purposes. It also includes the cancellation of free reserves set aside for potential risks amounting to TL 950,000 as of the balance sheet date. (December 31, 2024: None.)

6. The Group's expected loss provisions and other provision expenses

	Current Period	Prior Period
Expected Credit Loss	4.317.664	556.349
12 Months Expected Credit Loss (Stage 1) (2)	164.701	(172.190)
Significant Increase in Credit Risk (Stage 2)	1.470.667	357.163
Non-performing Loans (Stage 3)	2.682.296	371.376
Marketable Securities Impairment Expenses	5.955	2.523
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.955	2.523
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other (1)	90.000	330.000
Total	4.413.619	888.872

(1) As of the balance sheet date, there is no expense recorded for general provisions set aside for probable risks (December 31, 2024: TL 300.000).
(2) The provision cancellations made from Stage 1 loan provisions in the prior period are shown netted under the item of expected loss provisions and other provision expenses.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

7. Information related to other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	36.230	7.353
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	59.629	34.175
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortization Expenses of Intangible Assets	10.159	3.311
Impairment on Subsidiaries Accounted for Under Equity Method	-	-
Diminution Expenses for Assets to be Disposed of	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Assets Held for Sale	-	-
Other Operating Expenses	832.819	571.224
Rent Expenses	15.713	11.679
Maintenance Expenses	36.699	24.092
Advertisement Expenses	13.889	6.840
Other Expenses (1)	766.518	528.613
Loss on Sales of Assets	-	-
Other (2)	673.135	756.849
Total	1.611.972	1.372.912

(1) It includes non-bank service expenses of TL 205.753, computer usage expenses of TL 123.740, and communication expenses of TL 40.629 (31 December 2024: It includes non-bank service expenses of TL 109.185, computer usage expenses of TL 111.395, and communication expenses of TL 30.400).

(2) It also includes the expense amount of TL 347.667 related to the issuances brokered by Yatırım Yarıtlık Kiralama A.Ş. The same amount is also included as income in other operating income and is shown gross without netting for reporting purposes. In addition, it includes tax and fee expenses excluding corporate tax in the amount of TL 112.113 permit provisions expenses in the amount of TL 50.349 (31 December 2024: includes tax and fee expenses excluding corporate tax in the amount of TL 133.468; permit provisions expenses in the amount of TL 22.243).

8. Information on profit/loss before tax from continued and discontinued operations before tax

Income items for the period ending on 31 December 2025 include net interest income of TL 17.860.647 (31 December 2024: TL 15.855.099), net fee and commission income of TL 832.651 (31 December 2024: TL 819.727) and other operating income of TL 4.287.330 (31 December 2024: TL 2.403.975)

The Group's pre-tax profit on December 31, 2025 increased by 8,42% compared to its previous period pre-tax profit Compared to the previous period, the Group's net interest income increased by 12,65%

9. Information on tax provision for continued and discontinued operations

9.a Information on current tax charge or benefit and deferred tax charge or benefit:

The Group's current tax charge for the period is TL 4.118.416 (December 31, 2024: TL 2.487.822 expense). Deferred tax expense is TL 476.131 (December 31, 2024: TL 1.054.593 deferred tax income).

9.b Information related to deferred tax benefit or charge on temporary differences:

Deferred tax expense calculated on temporary differences is TL 476.131 (December 31, 2024: TL 1.054.593 income).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

9. Information on tax provision for continued and discontinued operations (continued)

9.c Information related to deferred tax benefit / charge on temporary differences, losses, tax deductions and exceptions::

Not Available (31 December 2024: Not Available).

10. Explanations on net profit/loss from continued and discontinued operations:

The Group is increased the net profit by 10,34% for the period ended 31 December 2025 compared to prior period.

11. Information on net profit/loss

11.a The nature and amount of certain income and expense items from ordinary operation is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Group's performance for the period:

The Group has generated TL 37.142.909 of interest income, TL 19.282.262 of interest expenses, TL 832.651 of net fees and commission income from banking operations (December 31, 2024: TL 30.331.870 interest income, TL 14.476.771 interest expenses, TL 819.727 net fee and commission income).

11.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:

There are no change in the accounting estimates and accordingly effect on the financial statement items. (December 31, 2024: None).

11.c Minority share of profit and loss:

The current year loss attributable to minority shares is TL 103.429 (December 31, 2024: TL 134.773 Profit). The total shareholders' equity, including current year profit attributable to minority shares is TL 775.186 (December 31, 2024: TL 577.236).

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below.

	Current Period	Prior Period
Other Fee and Commission Income Received		
Gains on Brokerage Commissions	334.640	297.423
Consulting Income	179.641	184.896
Commissions from Initial Public Offering	66.560	134.227
Investment Fund Management Income	85.085	53.212
Other	36.962	71.896
Total	702.888	741.654

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations related to consolidated statement of changes in shareholders' equity

1. Information related to capital

As of the balance sheet date, Paid in capital is 2.800.000 TL, legal reserves is 661.745 TL, extraordinary legal reserves is 24.160.667 TL.

2. Accumulated other comprehensive income or loss not reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss not reclassified through profit or loss includes valuation differences related to tangible assets, Defined Benefit Pension Plan related to Actuarial gains, related to valuation differences of the shares that are being classified fair value through other comprehensive income are being valued at market value and value increase differences in investment in associates, subsidiaries and entities under common control.

3. Accumulated other comprehensive income or loss reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss reclassified through profit or loss includes related to exchange differences of the shares that are being classified fair value through other comprehensive income and related to revaluation differences of fair value through other comprehensive income.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to consolidated statement of cash flows

1. Explanations about other cash flows items and the effect of changes in foreign exchange rates in cash and cash equivalents

Other earnings in the current period amounting to TL 2.399.895 consist of active sales revenues and non-interest income (December 31, 2024: TL 838.690 of other earnings, active sales revenues and non-interest income).

The banking activity consists of items such as amounting to TL 5.287.249 consist of derivative financial transaction losses, severance pay provision and depreciation expenses, other operating expenses and fees and commissions, and foreign exchange profit/loss, excluding taxes paid, which are included in the pre-change operating profit in assets and liabilities (December 31, 2024: TL 1.674.394 derivative financial transaction losses, provision for severance pay, excluding depreciation expenses and taxes paid, it consists of other operating expenses, fees and commissions and items such as foreign exchange profit/loss).

The net increase/decrease in other assets amounting to TL 22.076.894 in the current period (December 31, 2024: TL 20.064.340) consists of changes in miscellaneous receivables, other assets and reserve requirements. In the current period, the amount of TL 5.376.770 (December 31, 2024: TL 3.156.191) consists of the exchange of other liabilities account, mutual liabilities and funds obtained from repo transactions.

The impact of the change in the exchange rate on cash and cash equivalent assets in the current period was TL 611.435 (December 31, 2024: TL 386.165).

2. Information about cash flows from acquisition of associates, subsidiaries, and other investments:

In the current period, the Group invested TL 201.355 in securities and real estate and TL 28.828 in intangible assets. The parent bank has made a cash contribution of TL 200,000 to the capital of its subsidiaries during the current period.

In the previous period, the Group invested TL 97.454 in securities and real estate and TL 3.417 in intangible assets. The bank has previously made cash contributions to the capital of its subsidiaries and affiliates.

3. Information about disposal of associates, subsidiaries, and other investments:

In the current period, the Group generated a cash inflow of TL 19.222 from the sale of its securities and real estate. The Group has no disposed subsidiaries or affiliates in the current period.

The Group generated a cash inflow of TL 698 due to the sale of securities and real estate owned by the Group in the previous period. The Group has no disposed subsidiaries or affiliates in the current period.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to consolidated statement of cash flows

4. Cash and cash equivalents at the beginning and end of period

Cash and cash equivalents at the beginning of period:

	Beginning of the Current Period	Beginning of the Prior Period
Cash	8.117	45.225
Cash and Cash Deposit	-	1
Central Bank of Turkey and Other	8.117	45.224
Cash Equivalents	9.544.878	12.412.810
Demand Deposit Banks and Term Deposits up to 3 Months	7.670.710	5.117.211
Money Market Placements	1.874.168	7.295.599
Total	9.552.995	12.458.035

Cash and cash equivalents at the end of period:

	End of the Current Period	End of the Prior Period
Cash	9.750	8.117
Cash and Cash Deposit	-	-
T.C. Central Banks and Other	9.750	8.117
Cash Equivalents	18.290.676	9.544.878
Demand Deposit Banks and Term Deposits up to 3 Months	8.711.487	7.670.710
Money Market Placements	9.579.189	1.874.168
Total	18.300.426	9.552.995

5. Amount of cash and cash equivalents restricted for the usage of the Parent Bank and the shareholders by legal limitations and other reasons

Reserves amounting to TL 5.693.387 (December 31, 2024: TL 2.872.308) in Turkish Republic Central Bank represent Turkish Lira, foreign currency requirements of the Bank.

6. Additional information related to financial position and liquidity

6.a Any unused financial borrowing facility which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities:

There are not any unused financial borrowing facilities which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities.

6.b Apart from the cash flows needed to run ordinary operations of the Bank, total of cash flows that shows the increase in the operation capacity of the Bank:

Under current economical conditions, the cash flows are followed daily and cash flows showing the increase in the capacity of operations of the Bank are investigated

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations on the risk group of the Parent Bank

1. Information on the volume of transactions related to the Parent Bank's own risk group, outstanding loan and deposit transactions and income and expenses of the period

1.a Current Period:

Risk Group of the Parent Bank (1)	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at Beginning of Period	2.039.383	2	307.580	-	-	-
Balance at End of Period	1.860.483	930	124.490	-	7.872.144	7.598.237
Interest and Commission Income	150.610	11	16.451	-	556.570	56.374

(1) The mutual transactions of the parent company Bank and the fully consolidated subsidiaries have been eliminated.

1.b Prior Period:

Risk Group of the Parent Bank (1)	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at Beginning of Period	2.325.017	2	597.442	-	-	-
Balance at End of Period	2.039.383	2	307.580	-	-	-
Interest and Commission Income	162.452	5.670	46.082	-	-	-

(1) Mutual transactions between the Parent Bank and its fully consolidated subsidiaries are eliminated.

1.c Information on deposit held by Parent Bank's own risk group:

The Parent Bank is not authorized to accept deposits.

2. Information on forward and option agreements and other similar agreements made with related parties:

Risk Group of the Parent Bank (2)	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Non-Cash	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	962.716	1.114.465	-	-	-	-
End of the Period	493.506	962.716	-	-	-	-
Total Profit / Loss (1)	(16.208)	(28.116)	-	-	136	(3.987)
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

(1) The previous period includes information up to December 31, 2024.

(2) Mutual transactions between the parent company Bank and fully consolidated subsidiaries have been eliminated.

3. Total salaries and similar benefits provided to the key management personnel

Benefits provided to key management personnel in the current period amount to TL 269.405 (December 31, 2024: TL 189.947).

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Parent Bank

1. Information and disclosures related to the domestic, foreign branches and foreign representations of the Group

	Number	Number of Employees			
Domestic branches (1)	1	483			
			Country of Incorporation		
Foreign representations	-	-			
				Total Asset	Statutory Share Capital
Foreign branches	-	-		-	-
Off-shore banking region branches	-	-		-	-

(1) The total number of branches of the consolidated subsidiaries is 12 and the number of employees is 206.

2. Explanation on opening, closing of a branch/agency of the Parent Bank or changing its organizational structure significantly:

In the current year, the Parent Bank has not opened any branch or agency and there is no significant change in the organization structure of the Parent Bank's operating branches.

In the previous period, the Bank did not open any new branches or representative offices, and there was no significant change in the organization of the branches and representative offices.

SECTION SIX

OTHER EXPLANATIONS

I. Other explanations related to the operations of the Parent Bank

1.a Brief information related to rating carried out by international rating firms:

FITCH RATINGS

Long-term Maturity Foreign Currency (issuer)	BB-
Long-term Maturity Foreign Currency Outlook (issuer)	Positive
Short-term Maturity Foreign Currency (issuer)	B
Long-term Maturity National Currency (issuer)	BB-
Long-term Maturity National Currency Outlook (issuer)	Positive
Short-term Maturity National Currency (issuer)	B
Support Note	bb-
Base Support Note	AA
National Note	Stable
National Note Outlook	bb-

International credit rating agency Fitch Ratings updated the Bank's credit ratings on January 28, 2026.

MOODY'S

Reference Credit Rating Note	b1
Foreign Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Domestic Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Short-term Maturity	NP
Unsecured Debt-Foreign Currency (issuer)	
Long-term Maturity	Ba3
Outlook	Stable
Reference Credit Evaluation Score	b1

Information above represents updated information by Moody's as of July 30, 2025.

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2025

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

SECTION SIX (Continued)

OTHER EXPLANATIONS (Continued)

I. Other explanations related to the operations of the Parent Bank (continued)

I.b Information on corporate governance rating of the Parent Bank:

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with Capital Markets Board license, updated the Bank's corporate governance rating of 96,68% (9,67 over 10) as of October 17, 2025. Ratings under the main topics of weighted Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors are declared as; 9,51 (Weight: 25%), 9,87 (Weight: 25%), 9,89 (Weight: 15%), 9,54 (Weight: 35%) over 10 respectively.

I.c Fee information related to the services that the Bank receives from an Independent Auditor or an Independent Audit Firm:

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor and other independent audit firms, on the amounts excluding VAT, is as follows given in the table. These fees for services rendered to the Bank and its subsidiaries are included.

	Current Period	Prior Period
Independent audit fee for the reporting period	10.318	8.029
Fees for tax consulting services	1.893	1.372
The cost of other assurance services	20.322	16.722
The cost of other services outside the independent audit	155	113
Total	32.688	26.236

II. Other explanations related to the events after the reporting date

None.

SECTION SEVEN

AUDITORS' REPORT

I. Explanations on the auditors' report

The consolidated financial statements prepared as of December 31, 2025 and for the period ending on the same date were audited by PwC Independent Auditing and Certified Public Accountants Inc., and the audit report dated February 3, 2026 was presented before the consolidated financial statements..

II. Explanations and notes prepared by independent auditors

There are no other explanations and notes not expressed in sections above related with the Group's operation.



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