TÜRKİYE VARLIK FONU AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2025
TOGETHER WITH INDEPENDENT AUDITOR’S REPORT

(CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT AUDITORS’ REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Varlık Fonu Yönetimi Anonim Şirketi,

1. Our qualified opinion

We have audited the accompanying consolidated financial statements of Türkiye Varlık Fonu and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion section of our report, 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 Turkish Financial Reporting Standards ("TFRS").

2. Basis for qualified opinion

2.1 As of 31 December 2025, any sufficient and appropriate audit evidence regarding the financial statements of Turkish Energy Company ("TEC"), a fully consolidated subsidiary of the Group could not be obtained due to confidentiality; we were unable to determine whether any adjustments to consolidated total assets amounting to TRY 21,589 million, total equity amounting to TRY 12,265 million and net profit amounting to TRY 1,377 million in the accompanying consolidated financial statements and any disclosures were necessary in the consolidated financial statements as at 31 December 2025.

2.2 We were unable to obtain sufficient and appropriate audit evidence on the other long-term receivables from third parties of the Group's subsidiary Botaş Boru Hatları ile Petrol Taşıma A.Ş. ("Botaş") amounting to TRY 11,336 million in the consolidated financial statements due to the confidentiality issue. Consequently, we were unable to determine whether any adjustments to other long-term receivables from third parties and disclosures were necessary in the consolidated financial statements as at 31 December 2025.

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2.3 The Group's subsidiary, Botaş has inventories and cost of sales amounting to TRY 73,854 million and TRY 740,802 million, respectively, in the consolidated financial statements as at and for the year ended 31 December 2025. We were unable to obtain sufficient and appropriate audit evidence of the purchase costs of inventories due to the confidentiality of the purchase prices and we were unable to obtain sufficient conclusion by alternative procedures concerning unit costs of inventories for the year ended 31 December 2025. Consequently, we were unable to determine whether any adjustments to inventories and cost of sales were necessary in the consolidated financial statements as at and for the year ended 31 December 2025.

2.4 The Group's subsidiary, Türkiye Petrolleri Anonim Ortaklığı ("TPAO") has property, plant and equipment and deferred tax assets amounting to TRY 765,877 million and TRY 94,780 million, respectively, in the consolidated financial statements as at 31 December 2025. We were unable to obtain sufficient and appropriate audit evidence of the impairment of oil and gas assets included within property, plant and equipment and the recoverability of deferred tax assets due to the confidentiality. In the absence of information necessary to assess the recoverability of the oil and gas assets and deferred tax assets, we were unable to determine whether any adjustments to property, plant and equipment and deferred tax assets and disclosures were necessary in the consolidated financial statements as at 31 December 2025.

2.5 We were unable to obtain sufficient and appropriate audit evidence on the inventories, short term provisions and cost of sales of the Group's subsidiary Türkiye Şeker Fabrikaları Anonim Şirketi ("Türk Şeker") amounting to TRY 44,843 million, TRY 2,299 million and TRY 36,573 million, respectively in the consolidated financial statements as at and for the year ended 31 December 2025. Consequently, we were unable to determine whether any adjustments to inventories, cost of sales and short term provisions and disclosures were necessary in the consolidated financial statements as at 31 December 2025.

Our audit was conducted in accordance with 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") the ethical requirements regarding independent audit of public interest entities in regulations issued by the POA; are relevant to our audit of the 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 qualified opinion.

3. Emphasis of matter

3.1 As explained in Note 2.2, based on the notification received from the POA dated 12 December 2025, the Group is evaluated to be exempted from the application of Turkish Accounting Standards 29-Financial Reporting in Hyperinflationary Economies ("TAS 29") as of 31 December 2025. The Group has not adopted TAS 29 in the consolidated financial statements based on this evaluation. Our opinion is not modified in respect of this matter.

3.2 We draw attention to Note 24, which contains the disclosures regarding the ongoing litigation of Koza Ltd., a subsidiary of Türk Altın Holding A.Ş. ("Türk Altın") based in the United Kingdom. Our opinion is not modified in respect of this matter.

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 TFRS, 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.

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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 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 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 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's 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.

Additional explanation for convenience translation into English

The Group's consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 31 December 2025. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

Ediz Günsel, SMMM
Independent Auditor

Istanbul, 17 July 2026

TÜRKİYE VARLIK FONU AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

TABLE OF CONTENTS **PAGE**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

	Notes	Audited 31 December 2025	Audited 31 December 2024
ASSETS			
Current Assets		**9,672,465**	**6,186,054**
Cash and Cash Equivalents	6	2,046,178	1,277,667
Reserve Balances at Central Bank of the Republic of Türkiye	6	1,285,133	785,097
Financial Assets	7	1,371,663	669,286
Trade Receivables	9	397,255	210,964
- Due from Related Parties	8	2,083	3,574
- Due from Third Parties	9	395,172	207,390
Receivables from Financial Sector Operations	12	3,721,014	2,489,174
Other Receivables	11	193,208	290,011
- Due from Related Parties	8	89,204	193,604
- Due from Third Parties	11	104,004	96,407
Derivative Financial Instruments	13	49,351	22,690
Inventories	14	269,062	188,870
Prepaid Expenses	15	112,353	74,149
Current Tax Assets	26	5,709	3,023
Other Current Assets	16	191,069	163,437
Assets Held for Sale	3	30,470	11,686
Non-Current Assets		**9,324,781**	**6,527,674**
Financial Assets	7	2,527,873	1,765,052
Trade Receivables	9	6,531	10,508
- Due from Third Parties	9	6,531	10,508
Receivables from Financial Sector Operations	12	2,896,248	2,021,277
Other Receivables	11	81,874	56,198
- Due from Related Parties	8	2,291	428
- Due from Third Parties	11	79,583	55,770
Derivative Financial Instruments	13	216	1
Equity Accounted Investees	17	337,554	244,942
Investment Properties	18	270,286	203,102
Property, Plant and Equipment	19	1,551,056	1,037,924
Right of Use Asset	22	888,929	650,910
Intangible Assets	20	204,378	140,141
- Goodwill	20	2,630	2,428
- Other Intangible Assets	20	201,748	137,713
Prepaid Expenses	15	196,148	85,536
Deferred Tax Assets	26	308,592	267,729
Other Non-current Assets	16	55,096	44,354
TOTAL ASSETS		**18,997,246**	**12,713,728**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

	Notes	Audited 31 December 2025	Audited 31 December 2024
LIABILITIES			
Current Liabilities		**13,264,663**	**8,814,196**
Short-Term Borrowings	23	233,892	144,962
Short-Term Portion of Long-Term Borrowings	23	107,303	159,433
Lease Liabilities	22	94,589	69,566
Trade Payables	10	441,240	307,402
- Due to Related Parties	8	16,900	12,025
- Due to Third Parties	10	424,340	295,377
Payables from Financial Sector Operations	12	11,084,314	7,241,224
Payables Related to Employee Benefits	25	28,496	25,928
Other Payables	11	273,738	252,206
- Due to Related Parties	8	771	1,246
- Due to Third Parties	11	272,967	250,960
Derivative Financial Instruments	13	33,994	17,556
Deferred Income	15	176,343	115,971
Current Tax Liabilities	26	49,405	18,454
Current Provisions		198,478	150,200
- Current Provisions for Employee Benefits	25	30,951	19,726
- Other Current Provisions	24	167,527	130,474
Other Current Liabilities	16	542,871	311,294
Non-Current Liabilities		**3,003,799**	**1,857,061**
Long- Term Borrowings	23	1,459,994	810,895
Lease Liabilities	22	585,458	383,004
Trade Payables	10	579	1,920
- Due to Third Parties	10	579	1,920
Payables from Financial Sector Operations	12	695,245	485,643
Other Payables	11	2,458	1,504
- Due to Third Parties	11	2,458	1,504
Derivative Financial Instruments	13	-	1
Deferred Income	15	23,762	24,443
Provisions		141,422	91,574
- Provisions for Employee Benefits	25	63,709	52,845
- Other Non-current Provisions	24	77,713	38,729
Deferred Tax Liabilities	26	46,653	38,366
Other Non-current Liabilities	16	48,228	19,711
EQUITY		**2,728,784**	**2,042,471**
Equity Attributable to Equity Holders of the Parent		**2,043,306**	**1,556,838**
Government Contribution	5, 28	344,787	343,041
Treasury Shares		(12)	(12)
Common Control Transactions		(9,169)	(9,138)
Other Reserves		946	946
Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss		615	(12,564)
- Gain/(Losses) on Equity Instruments at Fair Value		7,035	9,030
- Remeasurements of Employee Termination Benefit		(21,246)	(22,537)
- Share of Other Comprehensive Income From Equity Accounted Investees		13,563	932
- Gains/(Losses) Arising from Fair Value Changes on Transfers to Investment Properties		1,252	-
- Gains/Losses Arising From Changes in The Fair Value of Financial Liabilities Due to Changes in Credit Risk		11	11
Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss		773,395	525,307
- Currency Translation Reserve		785,266	540,914
- Cash Flow Hedge Reserve		(4,290)	10,091
- Gain/(Losses) on Financial Assets at Fair Value Through Other Comprehensive Income		(5,239)	(32,726)
- Net Investment Hedge Reserve		(4,119)	6,493
- Cost of Hedging Reserve		2,595	2,529
- Share of Other Comprehensive Income From Equity Accounted Investees		(818)	(1,994)
Retained Earnings		711,588	451,189
Profit for the Year		221,156	258,069
Non-Controlling Interests		**685,478**	**485,633**
TOTAL LIABILITIES		**18,997,246**	**12,713,728**

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2025	Audited 1 January - 31 December 2024
CONTINUING OPERATIONS			
Revenue (net)	29	2,925,338	2,044,633
Cost of Sales (-)	29	(2,246,932)	(1,658,468)
Gross Profit from Non-Financial Operations		**678,406**	**386,165**
Interest, Premium, Commission and Other Income	29	2,838,747	1,946,916
Interest, Premium, Commission and Other Expense (-)	29	(2,344,205)	(1,643,197)
Gross Profit from Financial Operations		**494,542**	**303,719**
GROSS PROFIT		**1,172,948**	**689,884**
General and Administrative Expenses (-)	30	(341,410)	(222,748)
Sales, Marketing and Distribution Expenses (-)	30	(143,900)	(110,037)
Other Income from Operating Activities	31	100,920	216,358
Other Expense from Operating Activities (-)	31	(147,036)	(89,036)
Share of Profit of Equity Accounted Investees	17	76,703	63,598
OPERATING PROFIT		**718,225**	**548,019**
Income from Investment Activities	32	167,289	157,602
Expense from Investment Activities (-)	32	(17,266)	(28,524)
PROFIT BEFORE FINANCE INCOME/(EXPENSE)		**868,248**	**677,097**
Financial Income	33	85,203	80,011
Financial Expenses (-)	33	(440,062)	(366,960)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**513,389**	**390,148**
Tax Expense		**(141,656)**	**(33,418)**
Current Tax Expense (-)	26	(141,355)	(65,021)
Deferred Tax (Expense)/Income	26	(301)	31,603
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**371,733**	**356,730**
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUING OPERATIONS			
(Loss)/Profit for the year from discontinuing operations	3	(187)	14,665
PROFIT FOR THE YEAR		**371,546**	**371,395**
Attributable to:			
- Non-controlling Interests		150,390	113,326
- Equity Holders of the Parent		221,156	258,069

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2025	Audited 1 January- 31 December 2024
PROFIT FOR THE YEAR		**371,546**	**371,395**
Other Comprehensive Income/(Loss)			
Items That Will Not Be Reclassified to Profit or Loss		**13,695**	**(2,986)**
Remeasurements of Employee Termination Benefit		2,235	(10,736)
(Losses)/Gains on Equity Instruments at Fair Value		(1,556)	5,571
Gains/(Losses) Arising from Changes in The Fair Value of Financial Liabilities Due to Changes in Credit Risk		-	100
Gains/(Losses) Arising from Fair Value Changes on Transfers to Investment Properties		1,368	-
Shares of Other Comprehensive Income from Equity Accounted Investees		12,631	518
Taxes Related to Other Comprehensive Income Not to Be Reclassified to Profit/(Loss)		**(983)**	**1,561**
Remeasurements of Employee Termination Benefit, Tax Effect		(550)	2,544
Gains/(Losses) Arising From Changes in The Fair Value of Financial Liabilities Due to Changes in Credit Risk, Tax Effect		-	(25)
(Losses) on Equity Instruments at Fair Value, Tax Effect		(433)	(958)
Items That Will Be Reclassified to Profit or Loss		**311,097**	**173,999**
Currency Translation Reserve		323,624	193,529
Gains/(Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income		41,395	(43,528)
Cash Flow Hedge Reserve		(38,643)	15,164
Shares of Other Comprehensive Income From Equity Accounted Investees		694	(3,094)
Net Investment Hedge Reserve		(13,666)	(849)
Cost of Hedging Reserve		141	3,544
Taxes Related to Other Comprehensive Income to be Reclassified to Profit/(Loss)		**(2,448)**	**9,233**
(Losses)/Gains on Financial Assets Measured at Fair Value Through Other Comprehensive Income, Tax Effect		(12,212)	12,915
Cash Flow Hedge Reserve, Tax Effect		9,096	(3,362)
Net Investment Hedge Reserve, Tax Effect		702	566
Cost of Hedging Reserve, Tax Effect		(34)	(886)
OTHER COMPREHENSIVE INCOME (NET OF TAX)		**324,792**	**171,013**
TOTAL COMPREHENSIVE INCOME		**696,338**	**542,408**
ALLOCATION OF TOTAL COMPREHENSIVE INCOME		**696,338**	**542,408**
- Non-controlling Interests		213,915	162,309
- Equity Holders of The Parent		482,423	380,099

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

					Accumulated Other Comprehensive Income or Loss That Will															
					Not Be Reclassified					Be Classified										
	Government Contribution (*)	Common Control Transactions	Treasury Shares (-)	Other Reserves	Gains/ (Losses) on Equity Instruments at Fair Value	Gains/ (Losses) on Remeasurements of Employee Termination Benefit	Share of Other Comprehensive Income from Equity Accounted Investees	Gains/ (Losses) Arising from Fair Value Changes on Transfers to Investment Properties	Gains/Losses Arising from Changes in Credit Risk	Currency Translati on Reserve	Cash Flow Hedge Reserve	Cost of Hedging Reserve	Gains/ (Losses) on Hedges of Net Investment in Foreign Operations	Shares of Other Comprehensive Income from Equity Accounted Investees	Gains/ (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Retained Earnings	Profit for the Year	Equity Attributable to the Parent	Non-Controlling Interests	Total
Balances at 1 January 2025	**343,041**	**(9,138)**	**(12)**	**946**	**9,030**	**(22,537)**	**932**	**-**	**11**	**540,914**	**10,091**	**2,529**	**6,493**	**(1,994)**	**(32,726)**	**451,189**	**258,069**	**1,556,838**	**485,633**	**2,042,471**
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	258,069	(258,069)	-	-	-
Additions	22,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,790	-	26,390	-	26,390
Disposals	(20,854)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,460)	-	(22,314)	(680)	(22,994)
Acquisition or disposal of a subsidiary	-	(31)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31)	116	85
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,958)	(12,958)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	221,156	221,156	150,390	371,546
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(548)	(548)
Other comprehensive income	-	-	-	-	(1,995)	1,291	12,631	1,252	-	244,352	(14,381)	66	(10,612)	1,176	27,487	-	-	261,267	63,525	324,792
Balances at 31 December 2025	**344,787**	**(9,169)**	**(12)**	**946**	**7,035**	**(21,246)**	**13,563**	**1,252**	**11**	**785,266**	**(4,290)**	**2,595**	**(4,119)**	**(818)**	**(5,239)**	**711,588**	**221,156**	**2,043,306**	**685,478**	**2,728,784**

(*) Refer to Note 5.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in miilions of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

					Accumulated Other Comprehensive Income or Loss That Will														
					Not Be Reclassified				Be Classified										
	Government Contribution (*)	Common Control Transactions	Treasury Shares (-)	Other Reserves	Gains/(Losses) on Equity Instruments at Fair Value	Gains/(Losses) on Remeasurements of Employee Termination Benefit	Share of Other Comprehensive Income from Equity Accounted Investees	Gains/(Losses) Arising from Changes in Credit Risk	Currency Translation Reserve	Cash Flow Hedge Reserve	Cost of Hedging Reserve	Net Investment Hedge Reserve	Shares of Other Comprehensive Income from Equity Accounted Investees	Gain/(Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Retained Earnings	Profit for the Year	Equity Attributable to the Parent	Non-Controlling Interests	Total
Balances at 1 January 2024	**311,774**	**(1,229)**	**(12)**	**909**	**3,758**	**(16,068)**	**426**	**(47)**	**391,786**	**4,231**	**1,151**	**5,688**	**1,513**	**(2,007)**	**244,886**	**208,637**	**1,155,396**	**314,733**	**1,470,129**
Transfers	-	-	-	-	703	-	-	-	-	185	-	-	(185)	-	207,934	(208,637)	-	-	-
Additions	22,276	-	-	-	-	-	-	-	-	-	-	-	-	-	430	-	22,706	108	22,814
Disposals	(10,332)	-	-	-	-	-	-	-	-	-	-	-	-	(421)	(1,932)	-	(12,685)	(152)	(12,837)
Acquisition or disposal of a subsidiary	19,323	(7,909)	-	-	-	-	-	-	-	-	-	-	-	-	18	-	11,432	14,547	25,979
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,727)	(5,727)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	258,069	258,069	113,326	371,395
Transactions with non-controlling interests	-	-	-	37	-	-	-	-	-	-	-	-	-	-	(147)	-	(110)	(185)	(295)
Other comprehensive income	-	-	-	-	4,569	(6,469)	506	58	149,128	5,675	1,378	805	(3,322)	(30,298)	-	-	122,030	48,983	171,013
Balances at 31 December 2024	**343,041**	**(9,138)**	**(12)**	**946**	**9,030**	**(22,537)**	**932**	**11**	**540,914**	**10,091**	**2,529**	**6,493**	**(1,994)**	**(32,726)**	**451,189**	**258,069**	**1,556,838**	**485,633**	**2,042,471**

(*) Refer to Note 5.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2025	Audited 1 January- 31 December 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Continuing operations net income for the year		**371,733**	**356,730**
Discontinuing operations net income for the year		**(187)**	**14,665**
Adjustments to reconcile net income for the year			
Adjustments for depreciation expenses	19, 22	183,524	143,777
Adjustments for amortisation expenses	20	28,689	18,561
Adjustments for inventory impairment / (reversal)	14	2,263	2,838
Provision for doubtful receivables	9,11	16,044	5,561
Impairment for loan losses	12	116,513	69,912
Impairment of tangible assets	19	14,001	24,877
Impairment of intangible assets	20	245	78
Changes in the fair value of investment properties	18	(57,462)	(74,731)
Adjustments for the fair value of derivative instruments		(48,940)	17,395
Share of profits of investments accounted under equity method	17	(76,703)	(63,598)
Adjustments for provision for employment benefits	25	85,679	57,516
Adjustments for tax expenses	26	141,656	33,418
Adjustments for provisions of other accruals	24	66,894	49,159
Adjustments related to losses (gains) from the disposal of subsidiaries or joint operations		-	(11,057)
Adjustments for rediscount expenses		15,107	10,950
Adjustments for interest expense	29, 33	2,296,670	1,679,320
Adjustments for interest income	29, 33	(2,486,779)	(1,718,558)
Adjustments for gain on sale of tangible and intangible assets	32	(5,362)	(1,484)
Adjustments for unrealised foreign currency translation differences		82,789	(19,983)
Adjustments to reconcile net income for the year		**374,828**	**223,951**
Changes in working capital			
Change in trade receivables		(199,234)	(44,028)
Change in inventories		(82,455)	(57,477)
Change in trade payables		132,497	(33,095)
Change in other receivables related with operations		76,392	(12,985)
Change in other payables and liabilities related with operations		347,220	163,030
Change in receivables from finance sector operations		(2,238,431)	(1,173,747)
Change in payables from finance sector operations		4,052,692	2,322,821
Payments for employment termination benefits	25	(61,057)	(42,573)
Change in prepaid expenses and other assets		(186,823)	(159,822)
Change in central bank balances		(500,036)	(293,069)
Income taxes paid/returns	26	(113,090)	(68,317)
Change in financial assets at fair value to profit or loss		(242,387)	(61,865)
Interests received		2,397,236	1,657,459
Interest paid		(2,019,184)	(1,451,543)
Other cash inflows from operating activities		21,137	(1,017)
Changes in the scope of consolidation		(84)	2,240
Changes in working capital		**1,384,393**	**746,012**
Net cash inflow from operating activities		**2,130,767**	**1,341,358**
B. CASH FLOWS FROM INVESTİNG ACTIVITIES			
Purchase of tangible and intangible assets	19,20	(525,380)	(311,272)
Proceeds from sale of tangible and intangible assets		30,848	13,481
Purchase of investment properties	18	(6,201)	(2,718)
Assets held for sale		(18,784)	17,114
Cash outflows arising from the acquisition of investment securities at fair value through other comprehensive income	7	(1,279,798)	(748,942)
Proceeds from sale of investment securities measured at fair value through other comprehensive income	7	578,528	413,386
Cash outflows arising from the acquisition of financial assets measured at amortized cost	7	(362,910)	(316,386)
Cash inflows arising from the disposal of financial assets measured at amortized cost	7	67,944	206,326
Cash inflows/(outflows) due to share acquisition or capital increase in affiliates and/or joint ventures	17	3,212	(1)
Dividend received	17	17,561	16,320
Net cash used in investing activities		**(1,494,980)**	**(712,692)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(12,958)	(5,727)
Cash inflows from government contribution		22,600	22,276
Cash outflows due to government contribution		(20,854)	(10,332)
Cash inflows from changes in ownership interests that do not result in loss of control over subsidiaries		(1,228)	(340)
Payments of leasing liabilities	22	(128,482)	(95,473)
Interest received		35,853	34,266
Interest paid		(23,456)	(18,949)
Proceeds from financial liabilities	23	1,079,136	448,782
Repayment of financial liabilities	23	(809,130)	(608,279)
Net cash provided from financing activities		**141,481**	**(233,776)**
Increase in cash and cash equivalents		**777,268**	**394,890**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**1,263,085**	**868,195**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**6**	**2,040,353**	**1,263,085**

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

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Türkiye Wealth Fund ("the Fund") has been established as a Fund affiliated to the Presidency with the aim of stimulating the development and increasing economic stability in Türkiye by the efficient and productive management of public funds, increasing the value of existing public funds to build a stronger Türkiye for future generations with the Law No. 6741 and published in the Official Gazette dated 26 August 2016. During 2017, fourteen state- owned companies, forty-six real estates and two game licenses were transferred to the Fund by the government with no consideration.

Four different sub-funds presented below; were established under the Fund on 26 May 2017 and were registered in the Trade Registry Gazette numbered 9338, dated 1 June 2017.

- TVF Piyasa İstikrar ve Denge sub-fund ("TVF PDIF"),
- TVF İFM Gayrimenkul Yatırım sub-fund (formerly TVF KOBİ Finansman Sub-Fund),
- TVF Lisans ve İmtiyaz Sub-Fund and
- TVF Maden Sub-Fund.

The decision of the Board of Directors dated 7 August 2024; it was decided that the TVF Lisans ve İmtiyaz Sub-Fund and the TVF Maden Sub-Fund would merge within the TVF İFM Gayrimenkul Yatırım Sub-Fund and be liquidated through the merger and deregistered. It was also decided to change the name of the TVF İFM Gayrimenkul Yatırım Sub-Fund to the TVF Büyüme ve Kalkınma Sub-Fund.

TVF Piyasa İstikrar ve Denge Sub-Fund

In accordance with the Council of Ministers Decision dated 17 October 2016 and no: 2016/9429, it was decided to establish a sub-fund with the title of "TVF Piyasa İstikrar ve Denge Sub-Fund" under the Türkiye Wealth Fund. With the formation documents were announced in the Turkish Trade Registry Gazette dated 1 June 2017 and numbered 9338, "TVF Piyasa İstikrar ve Denge Sub-Fund", ("TVF PDIF"), was established in Istanbul for an indefinite period with the formation documents prepared by considering liquidity, investment, risk and return preferences with the aim of taking steps to increase confidence in the markets in addition to the targets specified in the strategic investment plan.

TVF Büyüme ve Kalkınma Sub-Fund

Based on the Board of Directors Decision of Türkiye Wealth Fund dated 19 September 2019 and numbered 2019/14 , it was decided to establish "TVF İFM Gayrimenkul İnşaat ve Yönetim Anonim Şirketi" ("TVF İFM") whose 100% of shares owned by Türkiye Wealth Fund and it was established on 21 May 2020.

As at 31 December 2019, the investments in progress related to the Istanbul International Financial Center project, belonging to TVF IFM Gayrimenkul Yatırım Sub-Fund (formerly named), together with the related party payables due to the Turkiye Wealth Fund and other trade payables, as well as the land plots belonging to the Turkey Wealth Fund related to the Istanbul International Financial Center project as at 31 December 2019, were transferred to TVF IFM during 2020. With the Board of Directors' resolution dated 7 August 2024, it was decided to change the name of TVF IFM Gayrimenkul Yatırım Sub-Fund to TVF Büyüme ve Kalkınma Sub-Fund.

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

In 2020, 7 new companies were established by the Fund management. These companies are as follows:

- TVF Finansal Yatırımlar A.Ş. ("TVF Finansal Yatırımlar"),
- TVF Enerji Sanayi ve Ticaret A.Ş. ("TVF Enerji"),
- TVF Rafineri ve Petrokimya San. ve Tic. A.Ş. ("TVF Rafineri"),
- Türkiye Maden Sanayi ve Ticaret A.Ş. ("Türkiye Maden")
- TVF Bilgi Teknolojileri İletişim Hizmetleri Yatırım San. ve Tic. A.Ş. ("TVF BT"),
- TVF AEL Elektrik Üretim San. ve Tic. A.Ş. ("TVF AEL"),
- TVF İFM Gayrimenkul İnşaat ve Yönetim A.Ş. ("TVF İFM").

In 2022, the Fund Management established Türkiye Katılım Sigorta on 4 January 2022, to conduct non-life participation insurance activities without interest, and Türkiye Katılım Hayat to undertake all types of life and personal accident insurance and reinsurance operations. On 29 December 2022, these companies merged through a simplified merger process under the names Bereket Katılım Sigorta and Bereket Katılım Hayat, and this merger was registered on 30 December 2022. Türkiye Katılım Sigorta and Türkiye Katılım Hayat commenced their operations in 2023.

The Fund management established TVF Teknoloji Yatırım Anonim Şirketi on 1 March 2023 in order to increase the achievements in technology fields, especially technology investments in Türkiye and abroad, and to ensure that they are managed more efficiently, rationally and in accordance with the conditions.

In 2024, the Fund Management established TVF Varlık Kiralama Anonim Şirketi on 17 September 2024, with the purpose of issuing lease certificates based on movable and immovable assets as well as intangible assets, to be traded on domestic and international stock exchanges, other liquid markets, and over-the-counter markets.

In 2025, the Fund Management established TVF Gayrimenkul Yatırımları Anonim Şirketi on 21 August 2025, to invest in all types of real estate and real estate projects, and to operate in real estate, construction, engineering, finance, electricity, logistics, port operations, infrastructure and superstructure works in Türkiye and abraod.

In 2025, the Fund management established TVF Uluslararası Yatırımlar Anonim Şirketi on 22 August 2025, to invest in all types of projects in Türkiye and abroad, to establish companies and funds of all kinds, to participate in their capital or shares, to form partnerships, to participate in partnerships, to provide financing for investments, and to execute projects.

The Fund is managed by the Türkiye Varlık Fonu Yönetimi Anonim Şirketi ("Yönetim A.Ş."), which was established under the Ministry of Treasury and Finance ("Treasury"). The assets of the Fund and assets and rights managed by Yönetim A.Ş. are separate from Yönetim A.Ş.'s assets.

The Fund, its subsidiaries, affiliates and joint operations are referred to as the "Group" throughout this report.

The Fund's registered address as Ortaköy Mahallesi Muallim Naci Cad. Vakıfbank Apt. No:22/- Beşiktaş, İstanbul.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Sources of the Fund comprises of the following:

- The institutions and assets which fall within the scope and program of privatization and decided by the Republic of Türkiye Prime Ministry Privatization to be transferred to the Fund and cash surplus decided by the Republic of Türkiye Prime Ministry Privatization to the Fund,
- The surplus income, resources and assets which are in the possession of public entities and institutions within the public sectors and which are decided by the Board of Directors to be transferred to the Fund or managed by the Yönetim A.Ş..
- The funding and sources which are provided from national and international money and capital markets by the Fund without seeking permissions and approvals stated in the related legislations,
- The funding and sources provided through other resources in addition to the money and capital markets,
- State-owned enterprise, and the public shares of its organization, enterprise, administration, units and assets, the public shares of enterprises more than half or total capital of which are state-owned, and/or the public shares of other commercial enterprises owned by public entities, shares and asset of commercial enterprises the total capital of which are owned by public, the public shares of other State-owned affiliates, the shares of treasury which are resolved to transfer to the Fund or manage by the Yönetim A.Ş. by the Board of Directors. The Fund and sub-fund's establishment, structure, functioning, management and the transactions to be made are determined within the scope of the Fund by law and articles and association of the Fund.

The Fund and sub-fund's establishment, structure, functioning, management and the transactions to be made are determined within the scope of the Fund by law and articles and association of the Fund.

Portfolio

The Fund's portfolio includes 35 companies, 46 real estates and 2 game licenses as of 31 December 2025. These companies operate in five core strategic sectors: financial sectors, telecom and technology, transportation and aviation, energy and mining, agriculture and food.

a) Entities

Detailed information about the portfolio is as follows:

Listed Entities	31 December 2025 Share	31 December 2024 Share
Türkiye Halk Bankası A.Ş. ("Halkbank") (1)	91.49%	91.49%
Türk Hava Yolları A.O. ('THY") (2)	49.12%	49.12%
Türk Telekomünikasyon A.Ş. ('Türk Telekom") (3)	61.68%	61.68%
Turkcell İletişim Hizmetleri A.Ş. ("Turkcell") (4)	26.20%	26.20%
Türkiye Sigorta A.Ş. ("Türkiye Sigorta") (5)	81.10%	81.10%
Türkiye Vakıflar Bankası T.A.O. ("Vakıfbank")(6)	73.26%	74.79%
Kardemir Karabük Demir Çelik Sanayi ve Ticaret A.Ş. ("Kardemir") (7)	4.41%	4.41%
Kayseri Şeker Fabrikası A.Ş. ("Kayseri Şeker") (8)	9.41%	9.41%

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Non-listed Entities	31 December 2025 Share	31 December 2024 Share
T.C. Ziraat Bankası A.Ş. ("Ziraat Bankası") (9)	100.00%	100.00%
Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş. ("Türksat") (10)	100.00%	100.00%
Posta ve Telgraf Teşkilatı A.Ş. ("PTT") (11)	100.00%	100.00%
Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAŞ") (12)	100.00%	100.00%
Türkiye Petrolleri A.O. ("TPAO") (13)	100.00%	100.00%
Eti Maden İşletmeleri Genel Müdürlüğü ("Eti Maden") (14)	100.00%	100.00%
Çay İşletmeleri Genel Müdürlüğü ("Çaykur") (15)	100.00%	100.00%
TCDD İzmir Liman İşletmesi ('TCDD') (16)	100.00%	100.00%
Türkiye Hayat ve Emeklilik A.Ş. ("Türkiye Hayat") (17)	92.64%	92.64%
Borsa İstanbul A.Ş. ("BIST') (18)	80.60%	80.60%
Turkish Energy Company ("TEC") (19)	100.00%	100.00%
Türkiye Şeker Fabrikaları A.Ş. ("Türkşeker") (20)	100.00%	100.00%
Türk Tarım ve Gıda Sanayi A.Ş. ("Türk Tarım") (20)	49.00%	49.00%
Türk Altın Holding A.Ş. ("Türk Altın") (21)	100.00%	100.00%

(1) According to the decision of the Privatization High Board dated 3 February 2017 and no: 2017/1, 51.11% of Halkbank shares previously owned by the Türkiye Privatization Administration were transferred to the Fund on 10 March 2017. The Fund increased Halkbank's capital by TRY 7,000 on 20 May 2020 based on the Capital Markets Board's approval dated 14 May 2020 As a result of the transaction, the Fund's share in Halkbank has increased to 75.29%. The Fund increased share capitals of Halkbank by TRY 13,400 on 21 March 2022. As a result of the transaction, the Fund increased its share in Halkbank to 87.70%. The Fund increased share capitals of Halkbank by TRY 30,000 on 29 March 2024. As a result of the transaction, the Fund increased its share in Halkbank to 91.49%. Within the scope of these transactions, Halkbank purchased debt securities issued by the Undersecretariat of Treasury as private placement from the Fund at market price and the cash obtained from the purchase was used for capital increase.

(2) According to Privatization High Board's decision no: 2017/1 dated 3 February 2017, 49.12% of THY shares previously held by Republic of Türkiye Privatization Administration have been transferred to the Fund on 10 March 2017.

(3) According to Council of Ministers' decision no: 2017/9756 dated 24 January 2017, 6.68% of Türk Telekom shares previously held by Republic of Türkiye Undersecretariat of Treasury have been transferred to the Fund on 2 May 2017. A share purchase agreement was signed between TVF and LYY Telekomünikasyon A.Ş. ("LYY") on 10 March 2022 for the purchase of 55.0% of Türk Telekomünikasyon A.Ş.'s shares. The transfer of the shares was completed on 31 March 2022 After the necessary approvals were obtained and the closing conditions were fulfilled.

(4) On 30 September 2020, TVF BT acquired of 26.20% of the shares of Turkcell İletişim Hizmetleri A.Ş. As a result of the agreements signed amongst Telia Company, LetterOne, Çukurova Holding, Ziraat Bank and certain related parties, TVF BT has acquired the control of Turkcell by appointing a total of 5 out of the 9 members of Turkcell's Board of Directors, with its 15% privileged shares within 26.20%.

(5) Halk Sigorta A.Ş., Ziraat Sigorta A.Ş. and Güneş Sigorta A.Ş. were merged as Türkiye Sigorta under TVF Finansal Yatırımlar on 27 August 2020.

(6) Based on Vakıfbank's capital increase decision, the Fund purchased using the dedicated sales method through a wholesale transaction in the stock market the shares with a nominal value of TRY 1,406 issued by Vakıfbank on 20 May 2020, for a total of TRY 7,000 based on a full price of TRY 4,98 per share with a nominal value of TRY 1, using the dedicated sales method, through a wholesale transaction in the stock market. Within the scope of this transaction, Vakıfbank purchased the government debt securities issued as private placements by the Undersecretariat of Treasury from the Fund at market price and the cash obtained from the purchase was used as a capital injection. As a result of this transaction, Vakıfbank's share capital increased by TRY 7,000 and the Fund became the owner of 35.99% of Vakıfbank's shares. The Fund supported Vakıfbank by TRY 13,400 capital injection on 21 March 2022, resulting the Fund to increase its share in Vakıfbank to 64.85%. Vakıfbank's share capital is increased by 32,000 TRY on 29 March 2024 and the Fund became the owner of 74.79% of Vakıfbank's shares. Within the scope of these transactions, Vakıfbank purchased debt securities issued by the Undersecretariat of Treasury as private placement from the Fund at market price and the cash obtained from the purchase was used for capital increase. On 19 September 2025, following the sale of shares with a nominal value of TRY 152, representing 1.53% of Vakıfbank, to institutional investors abroad, the ownership ratio changed to 73.26%.

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

(7) The Fund was purchased Kardemir Karabük Demir Çelik Sanayi ve Ticaret A.Ş.'s Group A shares from Karadökmak Karademir Döküm Makine Sanayi ve Ticaret A.Ş., at the nominal value of TRY 32, and from Karçel Kardemir Çelik Yapı İmalat Sanayi ve Ticaret A.Ş.'nin, at the nominal value of TRY 18, representing 4.41% of the total shares, on 6 December 2022, from outside the stock exchange for TRY 656 at the stock market closing price of TRY 13,05 full per share on 5 December 2022. The Fund has gained significant influence in Kardemir Karabük Demir Çelik Sanayi ve Ticaret A.Ş.'s management by appointing 1 out of the 11 members on the Kardemir Board of Directors.

(8) According to Privatization High Board's decision no: 2017/1 dated 3 February 2017 10% of Kayseri Şeker shares previously held by Republic of Türkiye Privatization Administration have been transferred to the Fund on 3 February 2017. According to the President of the Republic of Türkiye's decision no: 907 dated 16 April 2019, Republic of Türkiye Ministry of Treasury and Finance Privatization Administration's share of 1.07% of Kayseri Şeker has been transferred to the Fund. Starting from 18 May 2023, 15.01% of Kayseri Şeker shares have commenced trading on Borsa İstanbul and the Fund's share has become 9.41%.

(9) According to Council of Ministers' decision no 2017/9756 dated 24 January 2017, shares that 100% of Ziraat Bank that previously held by the Republic of Türkiye Undersecretariat of Treasury were transferred to the Fund on 24 January 2017.

(10) According to Council of Ministers' decision no: 2017/9756 dated 24 January 2017 100% of Türksat shares previously held by Republic of Türkiye Undersecretariat of Treasury have been transferred to the Fund on 18 April 2017.

(11) According to Council of Ministers' decision no: 2017/9756 dated 24 January 2017 100% of PTT shares previously held by Republic of Türkiye Undersecretariat of Treasury have been transferred to the Fund on 27 April 2017.

(12) According to Council of Ministers' decision no: 2017/9756 dated 24 January 2017 100% of BOTAŞ shares previously held by Republic of Türkiye Undersecretariat of Treasury have been transferred to the Fund on 31 July 2017.

(13) According to Council of Ministers' decision no: 2017/9756 dated 24 January 2017 100% of TPAO shares previously held by Republic of Türkiye Undersecretariat of Treasury have been transferred to the Fund on 31 March 2017.

(14) According to Council of Ministers' decision no: 2017/9756 dated 24 January 2017 100% of Eti Maden shares previously held by Republic of Türkiye Undersecretariat of Treasury have been transferred to the Fund on 27 April 2017.

(15) According to Council of Ministers' decision no: 2017/9756 dated 24 January 2017 100% of Çaykur shares previously held by Republic of Türkiye Undersecretariat of Treasury have been transferred to the Fund on 3 May 2017.

(16) According to Privatization High Board's decision no: 2017/1 dated 3 February 2017 100% of TCDD İzmir Alsancak Limanı shares previously held by Republic of Türkiye Privatization Administration have been transferred to the Fund on 16 March 2017.

(17) Halk Hayat Emeklilik A.Ş., Ziraat Emeklilik A.Ş. and Vakıf Emeklilik ve Hayat A.Ş. were merged as Türkiye Hayat under TVF Finansal Yatırımlar on 24 August 2020.

(18) According to the decision of the Council of Ministers dated 24 January 2017 and no: 2017/9756, 73.60% of BIST shares previously held by the Republic of Türkiye Undersecretariat of Treasury were transferred to the Fund on 14 March 2017. On 11 June 2018, BIST took over its own shares from National Association of Securities Dealers Automated Quotations ("NASDAQ") and according to the Capital Markets Board's decision dated 29 August 2018, 7% of the Istanbul Stock Exchange shares were transferred to the Fund. On 30 December 2019, the Fund increased its shares in Borsa İstanbul to 90.60% by purchasing 10% shares of BIST from European Bank for Reconstruction and Development ("EBRD"). In the context of the share transfer agreement dated 26 November 2020 signed by the Fund and Qatar Investment Authority (QIA), 10% of shares of Borsa Istanbul transferred to QIA. After the transfer, the share of TVF decreased to 80.60%.

(19) Turkish Petroleum International Company ("TPIC") had been transferred to BOTAŞ in 2013 which was transferred to the Fund on 31 July 2017. TEC was established in 2012 with 100% shares of TPIC and is directly controlled by the Fund.

(20) With the Presidential Decisions dated 29 April 2021 and numbered 3923 and 3924, it was decided that all of the shares in Türkşeker's capital and 49% of the shares in Türk Tarım's capital were transferred to the Türkiye Wealth Fund within the program of privatization.

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NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

(21) Pursuant to Presidential Decree No. 8857 dated 19 August 2024, 100% of the shares of Koza İpek Holding A.Ş., held by the Undersecretariat of Treasury of the Republic of Türkiye, were transferred to the Fund. The company's trade name was changed to Türk Altın Holding A.Ş. on 27 February 2025.

Entites founded by TVF	31 December 2025 Share	31 December 2024 Share
TVF Finansal Yatırımlar A.Ş. ("TVF Finansal Yatırımlar") (1)	100.00%	100.00%
TVF Enerji San. ve Tic. A.Ş. ("TVF Enerji") (2)	100.00%	100.00%
TVF Rafineri ve Petrokimya San. ve Tic. A.Ş. ("TVF Rafineri") (3)	100.00%	100.00%
Türkiye Maden San. ve Tic. A.Ş. ("Türkiye Maden") (4)	100.00%	100.00%
TVF Bilgi Teknolojileri İletişim Hizmetleri Yatırım Sanayi ve Ticaret A.Ş. ("TVF BT") (5)	100.00%	100.00%
TVF AEL Elektrik Üretim San. ve Tic. A.Ş. ("TVF AEL") (6)	100.00%	100.00%
TVF İFM Gayrimenkul İnşaat ve Yönetim A.Ş. ("TVF İFM") (7)	100.00%	100.00%
Türkiye Katılım Hayat A.Ş. ("Türkiye Katılım Hayat") (8)	100.00%	100.00%
Türkiye Katılım Sigorta A.Ş. ("Türkiye Katılım Sigorta") (8)	100.00%	100.00%
TVF Teknoloji Yatırımları Anonim Şirketi ("TVF Teknoloji") (9)	100.00%	100.00%
TVF Varlık Kiralama A.Ş. ("TVF VKŞ") (10)	100.00%	100.00%
TVF Gayrimenkul Yatırımları A.Ş. ("TVF Gayrimenkul") (11)	100.00%	-
TVF Uluslararası Yatırımlar A.Ş. ("TVF Uluslararası") (12)	100.00%	-

(1) TVF Finansal Yatırımlar was established to invest in finance and insurance companies by the Fund on 16 January 2020. TVF Finansal Yatırımlar signed a share transfer agreement and became the main partner of Ziraat Sigorta, Halk Sigorta and Güneş Sigorta, along with Ziraat Emeklilik, Halk Emeklilik and Vakıf Emeklilik on 22 April 2020.

(2) TVF Enerji was established by the Fund on 17 January 2020 to acquire commercial assets in the energy sector, including conventional thermal, recycling and waste energy, solar energy and geothermal energy.

(3) TVF Rafineri was established by the Fund on 17 January 2020 for the purpose of the Fund's acquisition of commercial assets in petrochemicals and execution of petrochemical projects. Investments are planned to reduce import dependency by establishing a refinery and petrochemical complex in the Southern Region of Türkiye. The feasibility studies of the project are continuing.

(4) Türkiye Maden was established by the Fund on 17 January 2020 to acquire mining assets and to reduce the trade deficit by bringing the country's unused underground resources into the economy. Türkiye Maden obtained a total of 22 licenses from the General Directorate of Mineral Research and Exploration and the General Directorate of Mining and Petroleum Affairs by 2022. In addition, 2 licenses were obtained on 12 April 2022, and 3 licenses were obtained on 30 January 2023, 9 March 2023 and 4 December 2023, respectively, and 1 license was transferred on 16 November 2023. On 25 September 2024, 2 licenses related to the Niğde project were merged and a new license was obtained. On 31 December 2024, 5 licenses related to the Balıkesir project were merged and a new license was obtained. On 3 June 2025, the transition of the Balıkesir İvrindi Solar Gold Mine project license from the exploration phase to the operation phase was completed. Additionally, on 22 August 2025, 4 licenses were obtained from the General Directorate of Mining and Petroleum Affairs. As at the end of 2025, Türkiye Maden holds 24 exploration licenses and 1 operation license (as at the end of 2024, Türkiye Maden held 21 licenses).

(5) TVF BT was established by the Fund on 5 June 2020 to make investments in the IT and Communication sector. TVF BT acquired 26.20% shares of Turkcell İletişim Hizmetleri A.Ş. by merging with Turkcell Holding A.Ş on 22 October 2020.

(6) TVF AEL was established by the Fund on 15 June 2020 for the purpose of constructing electrical energy projects and selling energy.

(7) TVF İFM was established by the Fund on 21 May 2020 for the purpose of carrying out or have all kinds of construction projects done, and to manage and operate the Istanbul Finance Center. As of 1 December 2020, the investments in the Istanbul International Financial Center project in the TVF IFM Real Estate Investment Sub-Fund and the landed properties belonging to the Türkiye Wealth Fund related to the Istanbul International Financial Center project were transferred to TVF IFM. The Istanbul International Financial Center (IFM) project is a major real estate development project in Ümraniye district and includes many layers that adapt to critical legal changes and build an attractive ecosystem for the capital markets and financial services sector.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

(8) On 4 January 2022, the Türkiye Wealth Fund founded and held 100% of the shares of Türkiye Katılım Sigorta, with a capital of 24 TRY, and Türkiye Katılım Hayat with a capital of 28 TRY. On 7 January 2022, all shares of Bereket Katılım Sigorta were acquired by Türkiye Katılım Sigorta and all shares of Bereket Katılım Hayat were acquired by Türkiye Katılım Hayat upon signing of a share transfer agreement. Through reverse acquisition, Türkiye Katılım Sigorta merged under Bereket Katılım Sigorta and Türkiye Katılım Hayat merged under Bereket Katılım Hayat via facilitated mergers. At the general assembly on 29 December 2022, the corporate names of Bereket Katılım Sigorta and Bereket Katılım Hayat were changed to Türkiye Katılım Sigorta and Türkiye Katılım Hayat, respectively and this change was registered on 30 December 2022. Türkiye Katılım Sigorta and Türkiye Katılım Hayat began operations in 2023.

(9) TVF Teknoloji was established by the Fund on 1 March 2023 with a capital of TRY 0.05 in order to increase the achievements in the fields of technology studies and to ensure their more efficient, rational and up-to-date management and administration.

(10) TVF VKŞ was established by the Fund on 17 September 2024 with a capital of TRY 0.25, for the purpose of issuing lease certificates in domestic and international markets.

(11) TVF Gayrimenkul was established by the Fund on 21 August 2025 with a capital contribution of TRY 60, to invest in both Türkiye and abroad for all types of real estate and real estate projects.

(12) TVF Uluslararası was established by the Fund on 22 August 2025 with a capital contribution of TRY 10, to invest in all types of international projects, to provide financing for investments and to execute projects.

b) Licences

	Period
Horse Racing (1)	49 Years
National Lottery and Games of Chance (2)	49 Years

(1) According to Decree Law no: 680 dated 6 January 2017 license of Horse Racing activities has been transferred to the Fund for 49 years as of 1 January 2018.
(2) According to Decree Law no: 680 dated 6 January 2017 license of National Lottery and Games of Chance activities has been transferred to the Fund for 49 years as of 6 January 2017.

c) Real Estate

Real estates owned by the Treasury have been transferred to the Fund by removing the appropriations on these real estates which are located in Antalya, Aydın, Isparta, İzmir, Kayseri and Muğla during April 2017.

As of 31 December 2025, and 2024, real estates are classified as investment property in the consolidated financial statements which are grouped by districts. Accordingly, there are a total of 26 properties in Antalya province, including 6 in Aksu district, 9 in Kemer district, 8 in Manavgat district, and 3 in central Antalya. Additionally, there are a total of 16 properties located in the provinces of İzmir and Aydın, including 6 in the Selçuk district, 6 in the Kuşadası district, 2 in the Menderes district, and 2 in the Didim district. Furthermore, there are an additional 4 properties located in the provinces of İstanbul (Bakırköy), Isparta (Center), Kayseri (Melikgazi), and Muğla (Bodrum).

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

The consolidated financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), along with the related amendments and interpretations, and within the context of assessments regarding the exclusion of application of Turkish Accounting Standard 29 ("TAS 29") as specified in Note 2.2.

The Fund maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance.

The Fund has prepared these consolidated financial statements in accordance with the "Financial Statement Examples and User Guide" issued by POA on 1 July 2026. The necessary adjustments and reclassifications have been applied in accordance with the framework set forth in the "2025 TFRS Taxonomy" and the "Financial Statement Examples and User Guide" issued by POA on 1 July 2026. Adjustments related to the application of TAS 29, as specified in the taxonomy, have been excluded based on the considerations detailed in Note 2.2.

Fund's management has approved the consolidated financial statements as of 31 December 2025 on 17 July 2025. General Assembly and the related regulatory bodies have the authority to modify the consolidated financial statements.

The details of the Group's accounting policies are explained in Note 2.9

2.2 Financial Reporting in Hyperinflationary Economies

In the announcement published by the Public Oversight, Accounting and Auditing Standards Authority on 23 November 2023, it was stated that companies applying Turkish Financial Reporting Standards (TFRS) are required to present their financial statements for annual reporting periods ending on or after 31 December 2023, adjusted for the effects of inflation in accordance with the relevant accounting principles in "Turkish Accounting Standard 29 Financial Reporting in Hyperinflationary Economies. Following the application of Türkiye Varlık Fonu Yönetimi A.Ş. to the Public Oversight, Accounting and Auditing Standards Authority (POA) regarding the exemption of Türkiye Varlık Fonu's consolidated financial statements for the periods ended 31 December 2025 and 2024 from the application of TAS 29 (Financial Reporting in Hyperinflationary Economies), it has been assessed based on the correspondence from POA dated 24 December 2024 and 12 December 2025 that Türkiye Varlık Fonu's consolidated financial statements as of 31 December 2024 and 2025 may be exempted from the application of TAS 29. Accordingly, TAS 29 has not been applied in the accompanying consolidated financial statements.

In the event the Group applies inflation accounting, financial statements prepared in the currency of a hyperinflationary economy would be stated in terms of the purchasing power of that currency at the balance sheet date, and prior-period financial statements presented for comparison would be expressed in the current measuring unit at the end of the reporting period. The current-period financial statements to be presented in TRY would be stated in terms of purchasing power at the balance sheet date, and amounts relating to prior reporting periods would likewise be restated to reflect purchasing power at the end of the reporting period. Accordingly, such restatements may have a significant impact on the financial position and results of operations.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Functional and presentation currency

Items included in the consolidated financial statements of the Subsidiaries, Joint Ventures and Associates of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements are presented in TRY, which is also the Fund's functional currency. The functional currency of THY and TPAO, the subsidiaries, is USD due to the importance of the impact on their operations. The assets and liabilities in the financial statements of these two subsidiaries and the Subsidiaries, Joint Ventures and Subsidiaries operating in foreign countries, prepared in accordance with the Group accounting policies, are translated into TRY using the foreign exchange rates on the balance sheet date, and their income and expenses are translated into TRY using the average exchange rates. All amounts are rounded to the nearest Million, unless otherwise indicated.

2.4 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, derivative financial instruments and financial assets that are measured at fair value.

2.5 Segment reporting

The segment reporting has been organized to ensure consistency with the reporting made to the Group's authority responsible for making decisions related to its activities. This decision-making authority within the Group is responsible for decisions regarding the allocation of resources to segments and for evaluating the performance of those segments.

The Fund monitors the companies within its portfolio under five main groups in line with portfolio management. Accordingly, the areas of activity considered useful for financial statement users have been identified as the financial sector, telecommunications and technology sector, transportation and aviation sector, energy and mining sector, and agriculture and food sector.

2.6 Use of assessments, judgements and estimates

Accounting estimates are made based on reliable information and reasonable estimation methods. However, estimations are revised because of a change in the conditions in which the estimation is made, new information is obtained, or additional developments occur. If the application of changes in the accounting estimates affects the financial results of a specific period, the changes in the accounting estimates are applied in that specific period, if they affect the financial results of current and following periods; the accounting estimates are applied prospectively in the period in which such change is made.

The nature and amount of change in the accounting estimation that influences the current period's financial result or is expected to have an effect on subsequent periods is disclosed in the notes of the financial statements unless it is not possible to estimate the effect on future periods. There are no changes in accounting estimates that are expected to have an impact on the financial results in the current period.

The information regarding the judgments, estimations and assumptions that involve the risk of a significant adjustment in the carrying value of assets and liabilities is explained in this note:

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Use of assessments, judgements and estimates (Continued)

a) Expected Credit Losses

The Group provides an expected credit loss provision ("ECL") in accordance with TFRS 9 for financial assets whose fair value is not reflected in profit or loss, and financial assets measured at amortized cost and at fair value through other comprehensive income. The provision for impairment of financial assets is based on assumptions regarding default risk and expected loss rates. The Group makes assessments while making these assumptions in each reporting period and uses the Group's past experience and current market conditions as well as forward-looking estimations to select the data to be used in the impairment calculations. In the expected credit loss calculation, the main parameters expressed as probability of default, loss given default and exposure at default, and the methods used in estimating the significant increase in credit risk and forward-looking macroeconomic information are explained in Note 2.9.

The Group applies the simplified approach, which uses the lifetime expected loss provision for all trade receivables and contract assets, inability of its customers, subscribers and members to make the necessary payments to calculate expected credit losses in TFRS 9, except for Finance Sector receivables. The Group calculates expected credit loss provisions by weighting loss probabilities and evaluating how economic factors impact the expected credit losses. The provision is examined periodically. The provision expense calculated for trade and other receivables is calculated over the percentages determined for the aging group in which the receivable is included and increasing as the receivables age.

b) Capitalization and useful life of assets

For tangible and non- tangible non-current assets, the Group evaluates the nature of the capitalized assets within the scope of TAS 16 and TAS 38 and capitalizes the related assets when they are ready for use.

The useful lives and residual values of the Group's assets are estimated by management at the time the asset is acquired and regularly reviewed for appropriateness. The Group defines useful lives of its assets in terms of the assets expected utility to the Group. This judgment is based on the experience of the Group with similar assets. In determining the useful life of an asset, the Group also follows technical and/or commercial obsolescence arising on changes or improvements from a change in the market.

c) Measurement of indefinite-lived intangible assets

The Group performs annual impairment testing for goodwill and intangible assets with indefinite useful lives. Property, plant, and equipment, as well as intangible assets with finite useful lives, are subject to impairment testing when there are indicators of impairment. If any such indication exists then the assets' recoverable amounts are estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Use of assessments, judgements and estimates (Continued)

Impairment tests of intangible assets with indefinite useful lives

In accordance with the accounting policy stated in Note 2,9, goodwill and brands with indefinite useful lives are not amortised but reviewed for impairment on a yearly basis or more frequently, if the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment tests for goodwill are performed by comparing the amount calculated according to the discounted cash flows of each cash generating unit based on long term projections, with the carrying value of the goodwill; whereas impairment tests for brands are performed by comparing the amount calculated by the royalty relief method, with the carrying value of the brand. No impairment was identified for intangible assets with indefinite useful lives as a result of the impairment tests performed as of 31 December 2025 (Note 20).

d) Fair value measurement determination process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. At the end of each reporting period, the Group uses its own assessments based on current market conditions among various methods and assumptions. The valuation method used and the inputs used in determining the fair value are disclosed in the fair value measurement.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Use of assessments, judgements and estimates (Continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 7 - Financial assets
- Note 13 - Derivative instruments
- Note 18 - Investment property
- Note 23 - Borrowings

e) Provisions, contingent liabilities and contingent assets

As disclosed in Note 24, the Group is involved in several investigations and legal proceedings (both as a plaintiff and as a defendant) arising in the ordinary course of business. All these investigations and litigations are evaluated by the Group Management and disclosed (unless information concerning provisions are very sensitive, and full disclosure could prejudice the outcome of cases) or accounted regarding to TAS 37 “Provision, Contingent Liabilities and Contingent Asset” in the consolidated financial statements. Future results or outcome of these investigations and litigations might differ from these Group Management’s expectations. As at the reporting date, the Group Management believes that appropriate recognition criteria and measurement basis are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount by considering current conditions and circumstances. Accounting policies for provisions, contingent assets and liabilities are disclosed in Note 2.9.

f) Defined contribution plans

Within the scope of defined contribution plans of Ziraat Bank and Halkbank, subsidiaries of the Group, as detailed in Note 2.9, the present value of defined benefit obligations is calculated by taking into account the discount rate, death rate and health benefits specified in Social Security Law No. 5754 dated 17 April 2008. Related assumptions are disclosed in Note 25.

g) Calculation of liability for Frequent Flyer Program (FFP)

The Group provides a frequent flyer program (FFP) named “Miles and Smiles” to its members. In calculating the liabilities related to this program, the miles earned from flights are estimated to expire based on the usage rate determined through statistical methods applied to historical data. No liability is recognized for these estimated expired miles.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Use of assessments, judgements and estimates (Continued)

h) Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

i) Insurance technical provisions

Insurance companies set aside reserves for outstanding claims in respect of claim amounts that have accrued and been determined on an accounting basis but have not been settled in prior or the current period—or, where such amounts cannot be calculated, their estimated amounts—as well as for incurred but not reported (IBNR) claims. Using actuarial chain-ladder methods, the Company's actuary prepares ultimate loss ratio estimates on a line-of-business basis and, within actuarial techniques, undertakes data selection and aggregation, adjustments, selection of the most appropriate method and loss development factors, and judgmental interventions to the development factors. The amount resulting from the calculation is compared to the accrued/booked reserve for outstanding claims, and the difference is identified as incurred but not reported (IBNR) claims.

2.7 Comparative financial statements

The current period consolidated financial statements of the Group include comparative financial statements to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to confirm the changes in the presentation of the current period consolidated financial statements.

2.8 The new standards, amendments and interpretations issued

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2025. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 The new standards, amendments and interpretations issued (Continued)

Standards, amendments and interpretations applicable as at 31 December 2025:

- **Amendments to TAS 21 – Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

  The amendment did not have a significant impact upon the consolidated financial position and performance of the Group.

Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025:

- **TFRS 17, 'Insurance Contracts';** is effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices. TFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

  In accordance with the Communiqué on the Presentation of Financial Statements of Insurance, Reinsurance and Pension Companies, as amended by the communiqué published in the Official Gazette dated 15 December 2025 by the Insurance and Private Pension Regulation and Supervision Agency ("SEDDK"), the effective date of TFRS 17 has been postponed to 01.01.2027. Accordingly, in the letter dated 7 January 2026 and numbered E-64088382-045.01-39032, sent by the POA to the Presidency of the Insurance Association of Türkiye, it was stated that the effective date of TFRS 17 has been postponed to 1 January 2027 for the individual and consolidated financial statements of banks and holding companies with insurance, reinsurance or pension company subsidiaries/associates.

  The impact of the change upon the Group's consolidated financial statement and performance is being assessed.

- **Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

  The impact of the change upon the Group's consolidated financial statement and performance is being assessed.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 The new standards, amendments and interpretations issued (Continued)

- **Annual improvements to TFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

  - TFRS 1 First-time Adoption of International Financial Reporting Standards;
  - TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing TFRS 7;
  - TFRS 9 Financial Instruments;
  - TFRS 10 Consolidated Financial Statements; and
  - TAS 7 Statement of Cash Flows.

  The impact of the change upon the Group's consolidated financial statement and performance is being assessed.

- **Amendment to TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of TFRS 9 and include targeted disclosure requirements to TFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

  The impact of the change upon the Group's consolidated financial statement and performance is being assessed.

- **Amendments to TAS 21 - Translation to a Hyperinflationary Presentation Currency;** effective from annual periods beginning on or after 1 January 2027. These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

  - its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or

  - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

  The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

  The impact of the change upon the Group's consolidated financial statement and performance is being assessed.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 The new standards, amendments and interpretations issued (Continued)

- **Amendments to Illustrative Examples on TFRS 7, TFRS 18, TAS 1, TAS 8, TAS 36 and TAS 37- Disclosures about Uncertainties in the Financial Statements;** These amendments include Examples illustrating how an entity applies the requirements in TFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in TFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate. The Examples do not have an effective date, but entities might consider the application for 31 December 2025 year-ends.

  The impact of the change upon the Group's consolidated financial statement and performance is being assessed.

- **TFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual **periods** beginning on or after 1 January 2027.This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:

  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  For the year ending December 2025, disclosures should include:

  - the nature of the changes,
  - the fact that TFRS 18 application is required for annual periods beginning on or after 1 January 2027,
  - the planned adoption date, and
  - either:
    - known or reasonably estimable information relevant to assessing the possible impact that application of TFRS 18 will have on the entity's financial statements in the period of initial application; or
    - if that impact is not known or reasonably estimable, a statement to that effect.

  In order to comply with Paragraphs 30-31 of TAS 8, entities should consider the following principles when preparing disclosures related to the adoption of TFRS 18:

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 The new standards, amendments and interpretations issued (Continued)

a. Disclosures are expected to become increasingly detailed as entities implementation process progresses toward 2027.

The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending December 2025, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of TFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

b. Where appropriate and reliable, consider including quantitative information.

It may be appropriate to disclose preliminary figures, when the company has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide TFRS 18 disclosures, such as an MPM reconciliation, before the application date.

c. Consider alignment with other public communications.

If management has publicly detailed anticipated impacts, such as in an investor presentation, the TAS 8 financial statement disclosures should be consistent with these communications.

d. Disclosures should be based on the information available through the date of issuance of the financial statements.

The impact of the change upon the Group's consolidated financial statement and performance is being assessed.

- **TFRS 19 Subsidiaries without Public Accountability: Disclosures' and amendment;** effective from annual periods beginning on or after 1 January 2027.This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. TFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

  The amendment did not have a significant impact upon the consolidated financial position and performance of the Group.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 The new standards, amendments and interpretations issued (Continued)

- **TFRS 19 Subsidiaries without Public Accountability: Disclosures';** with these amendments, TFRS 19 reflects the changes to TFRS Accounting Standards that take effect up to 1 January 2027, when TFRS 19 will be applicable. These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

  - TFRS 18 Presentation and Disclosure in Financial Statements;
  - Supplier Finance Arrangements (Amendments to TAS 7 and TFRS 7);
  - International Tax Reform—Pillar Two Model Rules (Amendments to TAS 12);
  - Lack of Exchangeability (Amendments to TAS 21); and
  - Amendments to the Classification and Measurement of Financial Instruments (Amendments to TFRS 9 and TFRS 7).

  The amendment did not have a significant impact upon the consolidated financial position and performance of the Group.

2.9 Summary of significant accounting policies

The Group has consistently applied the following accounting policies presented in these consolidated financial statements to all periods except if mentioned otherwise.

Basis of Consolidation

Subsidiaries

Subsidiaries comprise all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Subsidiaries	Country of Incorporation	Nature of Business
T.C. Ziraat Bankası A.Ş. ("Ziraat Bankası")	Türkiye	Banking
Ziraat Katılım Bankası A.Ş. ("Ziraat Katılım Bankası")	Türkiye	Banking
Ziraat Yatırım Menkul Değerler A.Ş. ("Ziraat Yatırım")	Türkiye	Brokerage House
Ziraat Portföy Yönetimi A.Ş. ("Ziraat Portföy")	Türkiye	Portfolio Management
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. ("Ziraat GYO")	Türkiye	Real Estate
Ziraat Finansal Yatırımlar A.Ş.	Türkiye	Venture Capital
Ziraat Filo Yönetimi ve Mobilite Çözümler A.Ş. ("Ziraat Filo")	Türkiye	Car Rental
Ziraat Bank International A.G. ("Ziraat Bank A.G.")	Germany	Banking
Ziraat Bank BH d.d	Bosnia and Herzegovina	Banking
Ziraat Bank (Moscow) JSC	Russia	Banking
Kazakhstan Ziraat Int. Bank ("KZI Bank")	Kazakhstan	Banking
Ziraat Bank Azerbaycan ASC ("Ziraat Azerbeycan")	Azerbaijan	Banking
Ziraat Bank Montenegro AD ("Ziraat Karadağ")	Montenegro	Banking
JSC Ziraat Bank Georgia ("Ziraat Gürcistan")	Georgia	Banking
Ziraat Bank Uzbekistan JSC ("UTBANK JSC")	Uzbekistan	Banking
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hiz. A.Ş.	Türkiye	Payment Service and Electronic Money
Ziraat Teknoloji A.Ş. ("Ziraat Teknoloji") (*)	Türkiye	Technology
Ziraat Dinamik Banka A.Ş. ("Ziraat Dinamik")	Türkiye	Banking
Ziraat Finansal Kiralama A.Ş. ("Ziraat Finansal")	Türkiye	Financial Leasing
Ziraat Bank Kosova JSC	Kosovo	Banking
Türkiye Halk Bankası A.Ş. ("Halkbank")	Türkiye	Banking
Halk Yatırım Menkul Değerler A.Ş. ("Halk Yatırım")	Türkiye	Brokerage House
Halk Gayrimenkul Yatırım Ortaklığı A.Ş. ("Halk GYO")	Türkiye	Real Estate
Halk Finansal Kiralama A.Ş. ("Halk Leasing")	Türkiye	Leasing
Halk Faktoring A.Ş. ("Halk Faktoring")	Türkiye	Factoring
Halkbank A.D. Beograd	Serbia	Banking
Halk Varlık Kiralama A.Ş. ("Halk Varlık Kiralama")	Türkiye	Asset Management
Halkbank AD, Skopje	Macedonia	Banking
Halk Osiguruvanje AD Skopje	Macedonia	Banking
Halk Elektronik Para ve Ödeme Hizmetleri A.Ş. ("Halk Elektronik")	Türkiye	Payment Services & Electronic Money
Halk Katılım Bankası A.Ş.	Türkiye	Banking
Halk Elektrik Üretim A.Ş.	Türkiye	Energy
Borsa İstanbul A.Ş. ("BİST")	Türkiye	Stock Exchange
İstanbul Takas ve Saklama Bankası A.Ş. ("Takasbank")	Türkiye	Banking and Stock Exchange
Merkezi Kayıt Kuruluşu A.Ş. ("MKK")	Türkiye	Stock Exchange
MKK Gayrimenkul Bilgi Merkezi A.Ş. ("GABİM")	Türkiye	Stock Exchange
Türk Hava Yolları A.O. ("THY")	Türkiye	Aircraft Transportation
THY Teknik A.Ş ("Turkish Technic")	Türkiye	Aircraft Maintenance Services
THY Uçuş Eğitim ve Havalimanı İşletme A.Ş. ("TAFA")	Türkiye	Training & Airport Operation
THY Uluslarası Yatırım ve Taşımacılık A.Ş. ("THY Uluslarası")	Türkiye	Cargo & Courier Transportation
THY Teknoloji ve Bilişim A.Ş. ("THY Teknoloji")	Türkiye	Technology
THY Hava Kargo Taşımacılığı A.Ş. ("THY Kargo")	Türkiye	Aircraft Transportation
THY Destek Hizmetleri A.Ş. ("THY Destek")	Türkiye	Supporting Services
THY Özel Güvenlik ve Koruma Hizmetleri A.Ş. ("THY Özel Güvenlik")	Türkiye	Security Services
AJET Hava Taşımacılığı A.Ş. ("AJET")	Türkiye	Aircraft Transportation
THY Elektronik Para ve Ödeme Sistemleri A.Ş. ("TKPAY")	Türkiye	Payment Services
TCI Kabin İçi Hizmetleri Sanayi ve Ticaret A.Ş. ("TCI")	Türkiye	In-Cabin Products
THY Gayrimenkul Yatırım Hizmetleri A.Ş. ("THY Gayrimenkul")	Türkiye	Real Estate Investment Services
THY Ortak Sağlık Güvenlik Birimi Hizmetleri A.Ş.	Türkiye	Occupational Health and Safety Services
THY Spor A.Ş. ("THY Spor")	Türkiye	Sports Activities
TSI Seats Inc.	USA	In-flight Cabin Products
Türkiye Petrolleri A.O. ("TPAO")	Türkiye	H.carbon Exp. and Production
Turkish Petroleum Overseas Company ("TPOC")	Jersey	Production
TP Afghanistan Ltd.	Jersey	Production
TP Mansuria Ltd.	Jersey	Production
TP Badra Ltd.	Jersey	Production
TP Missan Ltd.	Jersey	Production
TP Siba Ltd.	Jersey	Production
Turkish Petroleum Offshore Technology Center ("TPOTC A.Ş.")	Türkiye	Technology
Turkish Petroleum BTC. Ltd. ("TPBTC")	Cayman Islands	Construction & Pipelines
Turkish Petroleum SCP. Ltd. ("TPSCP")	Cayman Islands	Construction & Pipelines
TPAO Varlık Kiralama A.Ş.	Türkiye	Financial Services
Botaş Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAŞ")	Türkiye	Crude Oil Pipeline
BOTAŞ International Anonim Şirketi ("BIL A.Ş.")	Türkiye	Crude Oil Pipeline
Turkish Petroleum International Company Ltd. ("TPIC")	Türkiye	Technical Operations
Turkish Petroleum International Anonim Şirketi ("TPIC A.Ş.")	Türkiye	Technical Operations
Turkish Energy Company	Türkiye	Technical Operations
Posta ve Telgraf Teşkilatı Anonim Şirketi ('PTT')	Türkiye	Postal and Banking Services
Kule Verici Tesisleri İşletim ve Teknolojileri A.Ş. ("Kule")	Türkiye	Terrestrial Broadcast
Anadolum Destek ve Lojistik Hiz. San. ve Tic. A.Ş. ("Anadolum")	Türkiye	Support Services
PTT Bilgi Teknolojilleri A.Ş.	Türkiye	Technology
PTT Para Lojistik ve Özel Güvenlik Hizmetleri A.Ş.	Türkiye	Finance

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Subsidiaries	Country of Incorporation	Nature of Business
Eti Maden İşletmeleri Genel Müdürlüğü ("Eti Maden")	Türkiye	Chemical Production
Etimine S.A.	Luxembourg	Chemical Production
AB Etiproducts O.Y	Finland	Sales & Marketing
Etimine A.Ş. ("Etimine")	Türkiye	Chemical Production
TRBOR Bor Teknolojileri A.Ş. ("TRBOR")	Türkiye	Chemical Production
Türksat	Türkiye	Satellite Communication
Eurasiasat S.A.M ("Avroasiasat")	Monaco	Satellite Management
Çaykur	Türkiye	Tea Processing
TCDD İzmir Limanı	Türkiye	Transportation
TVF Finansal Yatırımlar A.Ş. ("TVF Finansal Yatırımlar")	Türkiye	Insurance and Retirement
Türkiye Sigorta A.Ş. ("Türkiye Sigorta")	Türkiye	Insurance
Türkiye Hayat ve Emeklilik ("Türkiye Hayat")	Türkiye	Insurance
OSEM Sertifikasyon A.Ş. ("OSEM")	Türkiye	Insurance
TVF Enerji San. ve Tic. A.Ş. ("TVF Enerji")	Türkiye	Energy
TVF Rafineri ve Petrokimya San. ve Tic. A.Ş. ("TVF Rafineri")	Türkiye	Energy
Türkiye Maden San. Ve Tic. A.Ş. ("Türkiye Maden")	Türkiye	Mining
TVF Piyasa İstikrar ve Denge Sub Fund,	Türkiye	Fund
TVF Bilgi Teknolojileri İletişim Hiz. Yat. San. ve Tic. A.Ş.	Türkiye	Telecommunication
Turkcell İletişim Hizmetleri A.Ş. ("Turkcell")	Türkiye	Telecommunication
CJSC Belarusian Telecommunications Network	Belarus	Telecommunication
East Asian Consortium B.V.	Netherlands	Telecommunication Investments
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hiz. A.Ş.	Türkiye	Customer Relations
Kıbrıs Mobile Telekomünikasyon Limited Şirketi	TRNC	Telecommunication
Kule Hizmet ve İşletmecilik A.Ş.	Türkiye	Telecommunication
Lifetech LLC	Belarus	Research and Development
Lifecell Ventures Coçperatief U.A	Netherlands	Telecommunication Investments
Superonline İletişim Hizmetleri A.Ş. ("Superonline")	Türkiye	Telecommunication
Turkcell Finansman A.Ş.	Türkiye	Consumer Finance
Turkcell Gayrimenkul Hizmetleri A.Ş.	Türkiye	Property Management
Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş. ("Turkcell Ödeme")	Türkiye	Payment Services
Turkcell Satış A.Ş.	Türkiye	Digital Service Sales
Turkcell Teknoloji Araştırma ve Geliştirme A.Ş.	Türkiye	R&D
Turktell Bilişim Servisleri A.Ş. ("Turktell")	Türkiye	IT Investments
Beltower LLC	Belarus	Telecommunication Infrastructure
Lifecell Digital Limited	TRNC	Telecommunication
BİP Digital Communication Technologies B.V ("BiP B.V.")	Netherlands	Digital Service Sales
Lifecell Dijital Servisler ve Çözümler A.Ş	Türkiye	Digital Service Sales
Lifecell Bulut Çözümleri A.Ş.	Türkiye	Digital Service Sales
Lifecell TV Yayın ve İçerik Hizmetleri A.Ş.	Türkiye	Digital Service Sales
Lifecell Müzik Yayın ve İletim A.Ş.	Türkiye	Digital Service Sales
BİP İletişim Tekonolojileri ve Dijital Servisler A.Ş	Türkiye	Digital Service Sales
Turkcell Enerji Çözümleri ve Elektrik Satış Tic. A.Ş	Türkiye	Energy
Turkcell Sigorta Aracılık Hizmetleri A.Ş. ("Turkcell Sigorta")	Türkiye	Insurance Agency
Yaani Digital B.V.	Netherlands	Internet Search Engine and Browser Services
Atmosware Teknoloji Eğitim ve Danışmanlık A.Ş. ("Atmosware")	Türkiye	Software Products
Boyut Grup Enerji Elektrik Üretim ve İnşaat San. Ve Tic. A.Ş. ("Boyut")	Türkiye	Renewable Energy
Turkcell Dijital İş Servisleri A.Ş. ("Turkcell Dijital")	Türkiye	Digital Product Services
Turkcell Dijital Eğitim Teknolojileri A.Ş. ("Dijital Eğitim")	Türkiye	Digital Education
Turkcell Dijital Sigorta A.Ş. ("Turkcell Dijital Sigorta")	Türkiye	Insurance
Turkcell Yeni Teknolojileri Girişim Sermayesi Yatırım Fonu ("Turkcell GSYF")	Türkiye	VentureCapital Investment Fund
Paycell Europe GmBH ("Paycell Europe")	Germany	Payment Services
Ultia Teknoloji Yazılım ve Uygulama Geliştirme Ticaret A.Ş.	Türkiye	Information Technologies
Turkcell Dijital Teknolojileri Limited Şirketi	TRNC	Electronic Payment Services
TDC Veri Hizmetleri A.Ş.	Türkiye	Information Technologies
Artel Bilişim Servisleri A.Ş.	Türkiye	Information Technologies
Sofra Kurumsal ve Ödüllendirme Hizmetleri A.Ş. ("Sofra")	Türkiye	Logistics Support Services
TVF AEL Elektrik Üretim San. ve Tic. A.Ş. ("TVF AEL")	Türkiye	Energy
TVF İFM Gayrimenkul İnşaat ve Yönetim A.Ş. ("TVF İFM")	Türkiye	Property Management
Türkiye Şeker Fabrikaları A.Ş. ("Türkşeker")	Türkiye	Sugar Production
Türk Tarım ve Gıda Sanayi Ticaret A.Ş. ("Türk Tarım")	Türkiye	Sugar sales and advertisement
Türkiye Katılım Hayat A.Ş. ("Türkiye Katılım Hayat")	Türkiye	Insurance
Türkiye Katılım Sigorta A.Ş. ("Türkiye Katılım Sigorta")	Türkiye	Insurance
Türk Telekomünikasyon A.Ş. ('Türk Telekom")	Türkiye	Telecommunication
TT Mobil İletişim Hizmetleri A.Ş.	Türkiye	Telecommunication
TTNET A.Ş.	Türkiye	Internet Service Provider
Argela Yazılım ve Bilişim Teknolojileri San. ve Tic. A.Ş.	Türkiye	Telecommunication
Innova Bilişim Çözümleri A.Ş.	Türkiye	Telecommunication
Assistt Rehberlik ve Müşteri Hizmetleri A.Ş.	Türkiye	Call Center
Sebit Eğitim ve Bilgi Teknolojileri A.Ş.	Türkiye	Web Based Learning
NETSIA Inc.	USA	Telecommunication
Sebit LLC	USA	Web Based Learning
TT International Holding B.V.	Netherlands	Holding
Türk Telekom International AT GmbH	Austria	Telecommunication
Türk Telekom International HU Kft	Hungary	Telecommunication
S.C.EuroWeb Romania S.A	Romania	Telecommunication
Türk Telekom International BG EOOD	Bulgaria	Telecommunication

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Subsidiaries	Country of Incorporation	Nature of Business
Türk Telekom International CZ s.r.o	Czech Republic	Telecommunication
Türk Telekom International SRB d.o.o.	Serbia	Telecommunication
Türk Telekom International Telekomunikacjie d.o.o.	Slovenia	Telecommunication
Türk Telekom International SK s.r.o.	Slovakia	Telecommunication
TT International Telekomünikasyon Sanayi ve Ticaret Ltd. Şti. ("TTINT Türkiye")	Türkiye	Telecommunication
Türk Telekom International UA LLC	Ukraine	Telecommunication
Türk Telekom International Italy S.R.L.	Italy	Telecommunication
Türk Telekom International MK DOOEL	Macedonia	Telecommunication
Türk Telekom International RU LLC	Russia	Telecommunication
Türk Telekom International d.o.o.	Croatia	Telecommunication
Türk Telekom International HK Limited	Hong Kong	Telecommunication
TTES Elektrik Tedarik Satış A.Ş.	Türkiye	Energy
TT Ödeme ve Elektronik Para Hizmetleri A.Ş.	Türkiye	Mobile Finance
Net Ekran Televizyonculuk ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
Net Ekran1 Televizyon ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
Net Ekran2 Televizyon ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
Net Ekran3 Televizyon ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
Net Ekran4 Televizyon ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
Net Ekran6 Televizyon ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
Net Ekran10 Televizyon ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
Net Ekran11 Televizyon ve Medya Hizmetleri A.Ş.	Türkiye	Television and Radio Broadcasting
TT Satış ve Dağıtım Hizmetleri A.Ş.	Türkiye	Selling and Distribution Services
TT Ventures Proje Geliştirme A.Ş.	Türkiye	Corporate Venture Capital
TT Destek Hizmetleri A.Ş.	Türkiye	Combined Facilities Support Activities
APPYAP Teknoloji ve Bilişim A.Ş.	Türkiye	Web Portal
TTG Finansal Teknolojiler A.Ş.	Türkiye	Financial Advisory Services
TTG Ventures Marketing Inc.	USA	Software
TT Finansman A.Ş.	Türkiye	Consumer Finance
Assistt Hollanda B.V.	Netherlands	Call Center
TT Varlık Kiralama A.Ş.	Türkiye	Financial Services
Türk Telekom Kıbrıs Toptan Hizmetler Şirketi Limited	TRNC	Telecommunication
Türk Telekom Kıbrıs Perakende Şirketi Limited	TRNC	Telecommunication
Giftplay Dijital Oyun Servisleri A.Ş.	Türkiye	Digital Service Sales
TVF Teknoloji Yatırımları A.Ş.	Türkiye	Technology
TVF Varlık Kiralama A.Ş.	Türkiye	Financial services
TVF Uluslararası Yatırımlar A.Ş. ("TVF Uluslararası")	Türkiye	Investment
TVF Gayrimenkul Yatırımları A.Ş. ("TVF Gayrimenkul")	Türkiye	Real Estate
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Türkiye	Payment Systems
Türk Altın Holding A.Ş.	Türkiye	Mining operations
TR Anadolu Metal Madencilik İşletmeleri A.Ş.	Türkiye	Mining
TR Anadolu İnşaat ve Ticaret A.Ş.	Türkiye	Mining
Türk Altın İşletmeleri Anonim Şirketi	Türkiye	Mining
Özdemir Antimuan Madenleri A.Ş	Türkiye	Mining
TR Havacılık Ticaret A.Ş.	Türkiye	Aircraft Transportation
TR Otelcilik Turizm Seyahat ve Ticaret A.Ş.	Türkiye	Tourism and Hotel Management
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	Türkiye	Food and Livestock Operations
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	Türkiye	Mining operations
TR Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.	Türkiye	Mining operations
TR Tedarik Danışmanlık ve Araç Kiralama Ticaret A.Ş. (*)	Türkiye	Advisory Services
TR Altın Sigorta Aracılık Hizmetleri A.Ş.	Türkiye	Insurance
Koza Prodüksiyon ve Ticaret A.Ş ("Koza Prodüksiyon") (*)	Türkiye	Radio and television
Rek-Tur Reklam Pazarlama ve Ticaret Ltd. Şti. ("Rek-Tur") (*)	Türkiye	Advertising agency
İpek Online Bilişim Hizmetleri Ltd. Şti. ("İpek Online") (*)	Türkiye	Communications and media

(*) The related companies have not been included in the consolidated financial statements as of 31 December 2025 and 2024, since they do not have significant operations relative to the Group's consolidated financial performance.

The operations of the subsidiaries are as below:

The foundation of Ziraat Bankası is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. The Bank is authorized to engage in all kinds of banking activities.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

BIST is an institution with a private law legal entity was founded on 30 December 2012, in order to engage in stock market management, based on the aforementioned Law in order to ensures the purchase and sale of capital market instruments, foreign exchange and precious metals and precious stones and other agreements, documents and assets approved by the Capital Markets Board ("CMB"), under free competition conditions in an easy and secure way and on a transparent, actively competitive, fair and stable platform.

THY was founded in Türkiye in 1933. THY's main fields of activity are all types of domestic and international passenger and cargo air transportation.

Halkbank began its operations in accordance with the Law No,2284 in 1938 and still continues its activities as a public commercial bank. Halkbank is authorized to engage in all kinds of banking activities.

TPAO was established in 1954 upon the authorization granted by the Council of Ministers. The main activities of TPAO are hydrocarbon exploration and production. TPAO carries out as Türkiye's national oil companies both inside and outside Türkiye's oil and natural gas operations.

BOTAŞ Petrol Boru Hattı Anonim Şirketi was established on 27 August 1973 for the purpose of transporting Iraqi Crude Oil to İskenderun Gulf, which was the subject matter of the Crude Oil Pipeline Agreement signed by Turkish Republic and Iraq Republic Governments. BOTAŞ has a monopoly in the import, distribution (except for urban distribution), sales and pricing of natural gas which started its activities with the transportation of crude oil by pipelines.

PTT was established on 23 October 1840 under the name Posthane-i Amire. With the "Law on Postal Services" numbered 6475, which entered into force on 23 May 2013, its establishment duties were rearranged and it was restructured under the name of " Posta ve Telgraf Teşkilatı Anonim Şirketi". PTT's field of activity is postal, cargo, banking and electronic commerce.

Çaykur is a Government Business Enterprises that subject to the provisions of the Decree Law that numbered 233 on Government Business Enterprises, with legal personality, autonomous in its activities and limited by its capital. The purpose of establishment of Çaykur is to develop tea agriculture, to ensure that the dried teas produced or imported are marketed in accordance with domestic and foreign market demands, and to export and import.

Türksat was established in 2004 with the Law No. 5189. Türksat was established to have the rights, management and operational authority of the satellite orbit positions within the scope of national sovereignty and to fulfill the obligations related to this, to issue and operate satellites. Türksat also provides cable and IT services. The e-Government Gateway, which provides access to certain public services provided by the Republic of Türkiye, and related information services are carried out by Türksat.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Eti Maden was originally established as Etibank pursuant to Law No. 2805 dated 14 May 1935. On 21 January 2004, its trade name was changed to "Eti Maden Genel Müdürlüğü." Eti Maden is engaged in the extraction, processing, refining, marketing, sales, and distribution of boron and other minerals throughout Türkiye.

Turkcell İletişim Hizmetleri Anonim Şirketi was established on 5 October 1993 in Istanbul and started its activities in 1994. Turkcell's fields of activity are the works and services stipulated in the GSM ("Global System for Mobile Communications") Pan European Mobile Telephone System tender signed with the Turkish Republic Ministry of Transport and Infrastructure, and all kinds of telephone, telecommunication and similar services, provided that they are not contrary to the PTT law are activities within the scope of authorization regarding IMT services and infrastructures.

Türk Telekomünikasyon Anonim Şirketi ("Türk Telekom") is a joint stock company incorporated in Türkiye. Türk Telekom has its history in the Posthane-i Amirane (Department of Post Office) which was originally established as a Ministry on 23 October 1840. On 4 February 1924, under the Telephone and Telegraph, the authorization to install and operate telephone networks throughout Türkiye was given to the General Directorate of Post, Telegraph and Telephone ("PTT"). Türk Telekom was founded on 24 April 1995 as a result of the split of the telecommunication and postal services formerly carried out by the PTT. All of the personnel, assets and obligations of the PTT pertaining to telecommunication services were transferred to Türk Telekom, the shares of which were fully owned by the Republic of Türkiye Ministry of Treasury and Finance ("the Treasury"). As of 31 March 2022, 55% of Türk Telekom's shares have been acquired by Türkiye Wealth Fund.

Under a concession agreement signed between the Company and the Information and Communication Technologies Authority ("ICTA") (formerly the Turkish Telecommunications Authority)" on 14 November 2005 ("Concession Agreement"), the Company is granted the right to provide all kinds of telecommunications services, establish the necessary telecommunications facilities, allow other licensed operators to use these facilities, and market and supply telecommunications services for a period of 25 years, starting on 28 February 2001. Before the expiration of the concession period, negotiations were held between the ICTA (Information and Communication Technologies Authority) and the Company, resulting in an agreement that extended the concession period by 24 years, until 28 February 2050 with the extension agreement signed on 27 February 2026. Under the extension agreement, the Company will pay ICTA a total extension fee of 2,500 USD in a payment plan spread over 10 years, starting from the last business day of 2026.

In the event that the Concession Agreement expires or is not renewed, the Company is obligated to transfer all equipment necessary for the operation of the system, in working condition, along with the immovable properties in its possession where this equipment is installed, to ICTA or an organization designated by ICTA, free of charge.

As a result of the spectrum tender conducted by the Information and Communication Technologies Authority ("ICTA") on 16 October 2025, Turkcell İletişim Hizmetleri A.Ş., one of the Group companies, was awarded the right to use a total of 160 MHz of frequency for a tender price of USD 1,224, excluding VAT, while Türk Telekomünikasyon A.Ş. was awarded a total of four packages in the 700 MHz and 3500 MHz bands for a tender price of USD 1,094, excluding VAT. For both companies, the tender price (excluding VAT) will be paid in three equal installments on 2 January 2026, 25 December 2026 and 2 May 2027, and the first installment together with the total VAT related to the tender price was paid on 2 January 2026.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Vakıfbank, an associate of the Group, was established on 11 January,1954, within the framework of the "Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Law" numbered 6219. Vakıfbank's subject of activity is to carry out all kinds of banking activities that deposit banks can perform, provided that the obligations specified in the Banking Law and other relevant legislations are fulfilled.

Türkiye Sigorta continues its operations in accordance with Insurance Law No. 5684, published in the Official Gazette No. 26552 dated 14 June 2007, and within the framework of other regulations and communiqués issued by the Insurance and Private Pension Regulation and Supervision Agency ("SEDDK"), which was established by the Presidential Decree dated 18 October 2019; and operates across all non-life insurance lines, primarily motor and non-motor accident, fire, marine, engineering, health, agriculture, liability, financial loss, credit, and legal protection.

Türkiye Hayat ve Emeklilik continues its operations in line with the Insurance Law numbered 5684, as well as the Individual Pension Savings and Investment System Law numbered 4632 and its official notices regarding these laws. Türkiye Hayat ve Emeklilik operates in the field of private pension as well as insurance and reinsurance activities in life, personal accident and health branches.

Türkşeker, whose main field of activity is sugar beet and sugar production, is headquartered in Ankara and was established in 1923. Türkşeker operates in the sectors of agriculture, manufacturing-food, manufacturing-chemistry, manufacturing-non-electrical machinery and manufacturing-occupational science, measurement and control optical equipment.

Türk Tarım was established in 2020 with the partnership of Vakıf Katılım Bankası and Türkşeker. It is a company established to support agricultural activities in general, to regulate the price of basic food products, which are predominantly included in the inflation basket, and to provide healthy, natural and economic products to the consumer.

Türk Altın Holding A.Ş. comprises companies registered in the mining, energy, construction, logistics, aviation, food, tourism and insurance sectors. It was established in Ankara on 17 March 2004 with the aim of supporting the work of its affiliated companies in areas such as planning, production, marketing, finance, human resources and fund management using advanced methods, and ensuring that the companies in which it has capital and management interests are managed in a more efficient, profitable, rational and competitive manner in accordance with common principles and to support their operations in areas such as planning, production, marketing, finance, human resources, and fund management using advanced methods.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

As of 31 December 2025, and 2024, the direct and indirect shareholding shares of subsidiaries are as follows:

	31 December 2025		31 December 2024	
	Direct Rate (%)	Effective Rate (%)	Direct Rate (%)	Effective Rate (%)
T.C. Ziraat Bankası A.Ş. ("Ziraat Bankası")	100	100	100	100
Ziraat Katılım Bankası A.Ş. ("Ziraat Katılım Bankası")	100	100	100	100
Ziraat Yatırım Menkul Değerler A.Ş. ("Ziraat Yatırım")	99.60	99.60	99.60	99.60
Ziraat Portföy Yönetimi A.Ş. ("Ziraat Portföy")	74.90	95.08	74.90	95.08
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. ("Ziraat GYO")	81.06	81.06	81.06	81.06
Ziraat Finansal Yatırımlar A.Ş. (****)	100	100	100	100
Ziraat Filo Yönetimi ve Mobilite Çözümler A.Ş. ("Ziraat Filo")	99.01	99.01	99.01	99.01
Ziraat Bank International A.G. ("Ziraat Bank A.G.")	100	100	100	100
Ziraat Bank BH d.d	100	100	100	100
Ziraat Bank (Moscow) JSC	99.91	100	99.91	100
Kazakhstan Ziraat Int. Bank ("KZI Bank")	99.92	99.92	99.92	99.92
Ziraat Bank Azerbaycan ASC ("Ziraat Azerbeycan")	99.98	100	99.98	100
Ziraat Bank Montenegro AD ("Ziraat Karadağ")	100	100	100	100
JSC Ziraat Bank Georgia ("Ziraat Gürcistan")	100	100	100	100
Ziraat Bank Uzbekistan JSC ("UTBANK JSC")	100	100	100	100
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hiz. A.Ş.	100	100	100	100
Ziraat Teknoloji A.Ş. ("Ziraat Teknoloji") (*)	100	100	100	100
Ziraat Dinamik Banka A.Ş. ("Ziraat Dinamik")	100	100	100	100
Ziraat Finansal Kiralama A.Ş. ("Ziraat Finansal")	100	100	100	100
Ziraat Bank Kosova JSC (**)	100	100	-	-
Türkiye Halk Bankası A.Ş. ("Halkbank")	91.49	91.49	91.49	91.49
Halk Yatırım Menkul Değerler A.Ş. ("Halk Yatırım")	91.49	91.49	91.49	91.49
Halk Gayrimenkul Yatırım Ortaklığı A.Ş. ("Halk GYO")	72.58	72.61	72.58	72.61
Halk Finansal Kiralama A.Ş. ("Halk Leasing")	91.49	91.49	91.49	91.49
Halk Faktoring A.Ş. ("Halk Faktoring")	91.49	91.49	91.49	91.49
Halkbank AD Beograd	91.49	91.49	91.49	91.49
Halk Varlık Kiralama A.Ş. ("Halk Varlık Kiralama")	91.49	91.49	91.49	91.49
HalkBanka AD Skopje	91.18	91.18	91.18	91.18
Halk Osiguruvanje AD Skopje	-	91.18	-	91.18
Halk Elektronik Para ve Ödeme Hizmetleri A.Ş. ("Halk Elektronik")	91.49	91.49	91.49	91.49
Halk Katılım Bankası A.Ş. (**)	91.49	91.49	-	-
Halk Elektrik Üretim A.Ş. (**)	91.49	91.49	-	-
Borsa İstanbul A.Ş. ("BİST")	80.60	80.60	80.60	80.60
İstanbul Takas ve Saklama Bankası A.Ş. ("Takasbank")	51.73	51.73	51.73	51.73
Merkezi Kayıt Kuruluşu A.Ş. ("MKK")	57.83	57.83	57.83	57.83
MKK Gayrimenkul Bilgi Merkezi A.Ş. ("GABİM")	57.83	57.83	57.83	57.83
Türk Hava Yolları A.O. ("THY")	49.12	49.12	49.12	49.12
THY Teknik A.Ş ("Turkish Technic")	49.12	49.12	49.12	49.12
THY Uçuş Eğitim ve Havalimanı İşletme A.Ş. ("TAFA")	49.12	49.12	49.12	49.12
THY Uluslarası Yatırım ve Taşımacılık A.Ş. ("THY Uluslararası")	49.12	49.12	49.12	49.12
THY Teknoloji ve Bilişim A.Ş. ("THY Teknoloji")	49.12	49.12	49.12	49.12
THY Hava Kargo Taşımacılığı A.Ş. ("THY Kargo")	49.12	49.12	49.12	49.12

(Amounts expressed in millions of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

	31 December 2025		31 December 2024	
	Direct Rate (%)	Effective Rate (%)	Direct Rate (%)	Effective Rate (%)
THY Destek Hizmetleri A.Ş. (“THY Destek”)	49.12	49.12	49.12	49.12
THY Özel Güvenlik ve Koruma Hizmetleri A.Ş. (“THY Güvenlik”)	49.12	49.12	49.12	49.12
AJET Hava Taşımacılığı A.Ş. (“AJET”)	49.12	49.12	49.12	49.12
THY Elektronik Para ve Ödeme Sistemleri A.Ş. (“TKPAY”)	49.12	49.12	49.12	49.12
TCI Kabin İçi Hizmetleri Sanayi ve Tic. A.Ş. (“TCI”)	39.30	39.30	39.30	39.30
THY Gayrimenkul Yatırım Hizmetleri A.Ş. (“THY Gayrimenkul”)	49.12	49.12	49.12	49.12
THY Ortak Sağlık Güvenlik Birimi Hizmetleri A.Ş.	49.12	49.12	49.12	49.12
THY Spor A.Ş. ("THY Spor")	49.12	49.12	49.12	49.12
TSI Seats Inc.	39.30	39.30	39.30	39.30
Türkiye Petrolleri A.O. (“TPAO”)	100	100	100	100
Turkish Petroleum Overseas Company (“TPOC”)	100	100	100	100
TP Afghanistan Ltd.	100	100	100	100
TP Mansuria Ltd.	100	100	100	100
TP Badra Ltd.	100	100	100	100
TP Missan Ltd.	100	100	100	100
TP Siba Ltd.	100	100	100	100
Turkish Petroleum Offshore Technology Center (“TPOTC A.Ş.”)	100	100	100	100
Turkish Petroleum BTC. Ltd. (“TPBTC”)	100	100	100	100
Turkish Petroleum SCP. Ltd. (“TPSCP”)	100	100	100	100
TPAO Varlık Kiralama A.Ş. (**)	100	100	-	-
BOTAŞ Boru Hatları ile Petrol Taşıma A.Ş. (“BOTAŞ”)	100	100	100	100
BOTAŞ International A.Ş. (“BIL A.Ş.”)	100	100	100	100
Turkish Petroleum International Company Ltd. (“TPIC”)	100	100	100	100
Turkish Petroleum International A.Ş. (“TPIC A.Ş.”)	100	100	100	100
Turkish Energy Company	100	100	100	100
Posta ve Telgraf Teşkilatı Anonim Şirketi (‘PTT’)	100	100	100	100
Kule Verici Tesisleri İşletim ve Teknolojileri A.Ş. (“Kule”)	100	100	100	100
Anadolum Destek ve Lojistik Hiz. San. ve Tic. A.Ş. (“Anadolum”)	100	100	100	100
PTT Bilgi Teknolojileri A.Ş.	100	100	100	100
PTT Para Lojistik ve Özel Güvenlik Hizmetleri A.Ş.	100	100	100	100
Eti Maden İşletmeleri Genel Müdürlüğü (“Eti Maden”)	100	100	100	100
Etimine S.A.	100	100	100	100
AB Etiproducts O.Y.	100	100	100	100
Etimine A.Ş. (“Etimine”)	100	100	100	100
TRBOR Bor Teknolojileri A.Ş. (“TRBOR”)	95	95	95	95
Türksat	100	100	100	100
Eurasiasat S.A.M (“Avroasiasat”)	100	100	100	100
Çaykur	100	100	100	100
TCDD İzmir Limanı	100	100	100	100
TVF Finansal Yatırımlar A.Ş. (“TVF Finansal Yatırımlar”)	100	100	100	100
Türkiye Sigorta A.Ş. (“Türkiye Sigorta”)	81.10	81.10	81.10	81.10
Türkiye Hayat ve Emeklilik (“Türkiye Hayat”)	92.64	98.61	92.64	98.61
OSEM Sertifikasyon A.Ş. (“OSEM”)	81.10	81.10	81.10	81.10
TVF Enerji A.Ş. (“TVF Enerji”)	100	100	100	100
TVF Rafineri ve Petrokimya San. ve Tic. A.Ş. (“TVF Rafineri”)	100	100	100	100
Türkiye Maden San. ve Tic. A.Ş. (“Türkiye Maden”)	100	100	100	100
TVF Piyasa İstikrar ve Denge Alt Fonu	100	100	100	100
TVF Bilgi Teknolojileri İletişim Hiz. Yat. San. ve Tic. A.Ş.	100	100	100	100
Turkcell İletişim Hizmetleri A.Ş. ("Turkcell")	26.20	26.20	26.20	26.20
CJSC Belarusian Telecommunications Network	26.20	26.20	26.20	26.20
East Asian Consortium B.V.	26.20	26.20	26.20	26.20
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hiz. A.Ş.	26.20	26.20	26.20	26.20
Kıbrıs Mobile Telekomünikasyon Limited Şirketi	26.20	26.20	26.20	26.20
Kule Hizmet ve İşletmecilik A.Ş.	26.20	26.20	26.20	26.20
Lifetech LLC	26.20	26.20	26.20	26.20
Lifecell Ventures Cooperatief U.A.	26.20	26.20	26.20	26.20

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

	31 December 2025		31 December 2024	
	Direct Rate (%)	Effective Rate (%)	Direct Rate (%)	Effective Rate (%)
Rehberlik Hizmetleri Servis A.Ş. (*******)	-	-	26.20	26.20
Superonline İletişim Hizmetleri A.Ş. ("Superonline")	26.20	26.20	26.20	26.20
Turkcell Finansman A.Ş.	26.20	26.20	26.20	26.20
Turkcell Gayrimenkul Hizmetleri A.Ş.	26.20	26.20	26.20	26.20
Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş. ("Turkcell Ödeme")	26.20	26.20	26.20	26.20
Turkcell Satış A.Ş.	26.20	26.20	26.20	26.20
Turkcell Teknoloji Araştırma ve Geliştirme A.Ş.	26.20	26.20	26.20	26.20
Turktell Bilişim Servisleri A.Ş. ("Turktell")	26.20	26.20	26.20	26.20
Paycell LLC (*******)	-	-	26.20	26.20
Beltower LLC	26.20	26.20	26.20	26.20
Lifecell Digital Limited Şirketi	26.20	26.20	26.20	26.20
BiP Digital Communication Technologies B.V ("BiP B.V.")	26.20	26.20	26.20	26.20
Lifecell Dijital Servisler ve Çözümler A.Ş.	26.20	26.20	26.20	26.20
Lifecell Bulut Çözümleri A.Ş. (*****)	-	-	26.20	26.20
Lifecell TV Yayın ve İçerik Hizmetleri A.Ş.	26.20	26.20	26.20	26.20
Lifecell Müzik Yayın ve İletim A.Ş.	26.20	26.20	26.20	26.20
BiP İletişim Teknolojileri ve Dijital Servisler A.Ş.	26.20	26.20	26.20	26.20
Turkcell Enerji Çözümleri ve Elektrik Satış Tic. A.Ş.	26.20	26.20	26.20	26.20
Turkcell Sigorta Aracılık Hizmetleri A.Ş. ("Turkcell Sigorta)	26.20	26.20	26.20	26.20
Yaani Digital B.V.	26.20	26.20	26.20	26.20
Atmosware Teknoloji Eğitim ve Danışmanlık A.Ş. ("Atmosware")	26.20	26.20	26.20	26.20
Boyut Grup Enerji Elektrik Üretim ve İnşaat San. Ve Tic. A.Ş. ("Boyut")	26.20	26.20	26.20	26.20
Turkcell Dijital İş Servisleri A.Ş. ("Turkcell Dijital")	26.20	26.20	26.20	26.20
Turkcell Dijital Eğitim Teknolojileri A.Ş. ("Dijital Eğitim")	26.20	26.20	26.20	26.20
Turkcell Dijital Sigorta A.Ş. ("Turkcell Dijital Sigorta")	26.20	26.20	26.20	26.20
Turkcell Yeni Teknolojileri Girişim Sermayesi Yatırım Fonu ("Turkcell GSYF")	26.20	26.20	26.20	26.20
Paycell Europe GmBH ("Paycell Europe")	26.20	26.20	26.20	26.20
Ultia Teknoloji Yazılım ve Uygulama Geliştirme Ticaret A.Ş.	26.20	26.20	26.20	26.20
Turkcell Dijital Teknolojileri Limited Şirketi	26.20	26.20	26.20	26.20
TDC Veri Hizmetleri A.Ş.	26.20	26.20	26.20	26.20
Artel Bilişim Servisleri A.Ş. (******)	-	-	26.20	26.20
Sofra Kurumsal ve Ödüllendirme Hizmetleri A.Ş. ("Sofra")	26.20	26.20	26.20	26.20
TVF AEL Elektrik Üretim San. ve Tic. A.Ş. ("TVF AEL")	100	100	100	100
TVF İFM Gayrimenkul İnşaat ve Yönetim A.Ş. ("TVF İFM")	100	100	100	100
Türkiye Şeker Fabrikaları A.Ş. ("Türkşeker")	100	100	100	100
Türk Tarım ve Gıda Sanayi ve Ticaret A.Ş. ("Türk Tarım")	49.00	49.00	49.00	49.00
Türkiye Katılım Hayat A.Ş. ("Türk Katılım Hayat")	100	100	100	100
Türkiye Katılım Sigorta A.Ş. ("Türk Katılım Sigorta")	100	100	100	100
Türk Telekomünikasyon A.Ş. ('Türk Telekom")	61.68	61.68	61.68	61.68
TT Mobil İletişim Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
TTNET A.Ş.	61.68	61.68	61.68	61.68
Argela Yazılım ve Bilişim Teknolojileri San. ve Tic. A.Ş.	61.68	61.68	61.68	61.68
Innova Bilişim Çözümleri A.Ş.	61.68	61.68	61.68	61.68
Assistt Rehberlik ve Müşteri Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Sebit Eğitim ve Bilgi Teknolojileri A.Ş.	61.68	61.68	61.68	61.68
NETSIA Inc.	61.68	61.68	61.68	61.68
Sebit LLC	61.68	61.68	61.68	61.68

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

	31 December 2025		31 December 2024	
	Direct Rate (%)	Effective Rate (%)	Direct Rate (%)	Effective Rate (%)
TT International Holding B.V	61.68	61.68	61.68	61.68
Türk Telekom International HU Kft	61.68	61.68	61.68	61.68
S.C.EuroWeb Romania S.A	61.68	61.68	61.68	61.68
Türk Telekom International BG EOOD	61.68	61.68	61.68	61.68
Türk Telekom International CZ sro	61.68	61.68	61.68	61.68
Türk Telekom International SRB d.o.o.	61.68	61.68	61.68	61.68
Türk Telekom International Telekomunikacjie d.o.o.	61.68	61.68	61.68	61.68
Türk Telekom International SK s.r.o.	61.68	61.68	61.68	61.68
TT International Telekomünikasyon San. ve Tic. Ltd. Sti.	61.68	61.68	61.68	61.68
Türk Telekom International UA LLC	61.68	61.68	61.68	61.68
Türk Telekom International Italy S.R.L.	61.68	61.68	61.68	61.68
Türk Telekom International MK DOOEL	61.68	61.68	61.68	61.68
Türk Telekom International RU LLC	61.68	61.68	61.68	61.68
Türk Telekom International AT GmbH	61.68	61.68	61.68	61.68
Türk Telekom International d.o.o.	61.68	61.68	61.68	61.68
Türk Telekom International HK Limited	61.68	61.68	61.68	61.68
TTES Elektrik Tedarik Satış A.Ş.	61.68	61.68	61.68	61.68
TT Ödeme ve Elektronik Para Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran Televizyonculuk ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran1 Televizyon ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran2 Televizyon ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran3 Televizyon ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran4 Televizyon ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran6 Televizyon ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran10 Televizyon ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
Net Ekran11 Televizyon ve Medya Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
TT Satış ve Dağıtım Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
TT Ventures Proje Geliştirme A.Ş.	61.68	61.68	61.68	61.68
TT Destek Hizmetleri A.Ş.	61.68	61.68	61.68	61.68
APPYAP Teknoloji ve Bilişim A.Ş.	61.68	61.68	61.68	61.68
TTG Finansal Teknolojiler A.Ş.	61.68	61.68	61.68	61.68
TTG Ventures Marketing Inc.	61.68	61.68	61.68	61.68
TT Finansman A.Ş.	61.68	61.68	61.68	61.68
TT Varlık Kiralama A.Ş. (**)	61.68	61.68	-	-
Türk Telekom Kıbrıs Toptan Hizmetler Şirketi Limited (**)	61.68	61.68	-	-
Türk Telekom Kıbrıs Perakende Şirketi Limited (**)	61.68	61.68	-	-
Giftplay Dijital Oyun Servisleri A.Ş. (**)	61.68	61.68	-	-
Assistt Hollanda B.V.	61.68	61.68	61.68	61.68
TVF Teknoloji Yatırımları A.Ş.	100	100	100	100
TVF Varlık Kiralama A.Ş.	100	100	100	100
TVF Uluslararası Yatırımlar A.Ş. ("TVF Uluslararası") (**)	100	100	-	-
TVF Gayrimenkul Yatırımları A.Ş. ("TVF Gayrimenkul") (**)	100	100	-	-
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	66.67	63.83	66.67	63.83
Türk Altın Holding A.Ş.	100	100	100	100
TR Anadolu Metal Madencilik İşletmeleri A.Ş.	2.75	35.28	2.75	35.28
TR Anadolu İnşaat ve Ticaret A.Ş.	0.96	35.89	0.96	35.89
Türk Altın İşletmeleri Anonim Şirketi	21.99	39.22	21.99	39.22
Özdemir Antimuan Madenleri A.Ş	0.01	35.90	0.01	35.90
TR Havacılık Ticaret A.Ş. (***)	-	-	100	100
TR Otelcilik Turizm Seyahat ve Ticaret A.Ş.	0.01	35.90	0.01	35.90
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	0.00	35.89	0.00	35.89
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	0.00	25.59	0.00	25.59
TR Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.	62.25	62.25	62.25	62.25
TR Tedarik Danışmanlık ve Araç Kiralama Ticaret A.Ş. (*)	0.00	44.57	0.00	44.57
TR Altın Sigorta Aracılık Hizmetleri A.Ş. (****)	0.00	44.57	0.00	44.57
Koza Prodüksiyon ve Ticaret A.Ş ("Koza Prodüksiyon") (*)	100	100	100	100
Rek-Tur Reklam Pazarlama ve Ticaret Ltd. Şti. ("Rek-Tur") (*)	100	100	100	100
İpek Online Bilişim Hizmetleri Ltd. Şti. ("İpek Online") (*)	100	100	100	100

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

(*) These companies are not consolidated as they do not currently have material operations compared to the consolidated financial performance of the Group.

(**) The related company started its operations in 2025 and included in the Group's consolidated financial statements in 2025.

(***) As at 31 December 2025, TR Havacılık Ticaret A.Ş., one of the Group's subsidiaries, has merged with Türk Altın Holding A.Ş.

(****) The trade names of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and Koza-İpek Sigorta Aracılık Hizmetleri A.Ş. were changed in 2025 and 2026, respectively. The current trade names of the respective companies have become Ziraat Finansal Yatırımlar A.Ş. and TR Altın Sigorta Aracılık Hizmetleri A.Ş.

(*****) As at 7 May 2025, Lifecell Bulut Çözümleri A.Ş. has merged with Lifecell Dijital Servisler ve Çözümler A.Ş.

(******) As at 16 September 2025, Artel Bilişim Servisleri A.Ş. has merged with Turkcell.

(*******) It has been decided to liquidate Paycell LLC, established in Ukraine, as at 27 January 2025, and Rehberlik Hizmetleri Servisi A.Ş. as at 11 March 2025.

Non-controlling interests

Non-controlling interests ("NCI") are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Joint arrangements

Joint arrangements are the arrangements that the Group has joint control over and where the consensus for decision taking is required with unanimity for the returns with significant impact of the arrangements. The classification and accounting of the joint arrangements are explained as below:

- Joint operation - When the Group has the rights over its' assets and obligations from its' liabilities, each asset, liability and transaction is accounted considering all shares from joint operation including jointly held shares and joint obligations.

- Joint ventures - When the Group has rights over only the net assets of the arrangements, the shares from equity accounted investment is accounted.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Joint operations

Joint operation is an arrangement in which the Group has rights to its assets and obligations for its liabilities and it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

	31 December 2025 Effective rate	31 December 2024 Effective rate
Azarbaijan International Operating Company ("AIOC")	5.73	5.73
Azarbaijan Gas Supply Company Limited ("AGSC")	15.20	15.20
Baku-Tbilisi Ceyhan Pipeline Company ("BTC")	6.53	6.53
Baku-Tblisi Ceyhan Pipeline Investment Company ("BTC Investment")	6.53	6.53
South Caucasus Pipeline Holding Company ("SCP Ho.")	19.00	19.00
South Caucasus Pipeline Company ("SCP Co.")	19.00	19.00
Option Gas Compnay Limited ("Option Co.")	19.00	19.00
MK Oil and Gas BV ("MKOG")	49.00	49.00
TT Mobil – Vodafone Evrensel İş Ortaklığı	51.00	51.00

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The interests in equity associates and joint ventures are accounted for using the equity method. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

(a) Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.
(b) Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

The Group's joint ventures as at 31 December 2025 and 2024 are as follows:

	Country of incorporation	Nature of business
Turkmen Turkish Joint Stock Commercial Bank ("Turkmenturk")	Turkmenistan	Banking
Güneş Ekspres Havacılık A.Ş. ("Sun Express")	Türkiye	Aircraft Transportation
THY DO&CO İkram Hizmetleri A.Ş. ("Turkish DO&CO")	Türkiye	Catering Services
P&W T.T Uçak Bakım Merkezi Ltd Şti. ("P&W T.T")	Türkiye	Maintenance Services
TGS Yer Hizmetleri A.Ş ("TGS")	Türkiye	Ground Services
THY OPET Havacılık Yakıtları A.Ş. ("THY OPET")	Türkiye	Aviation Fuel Services
Goodrich Thy Teknik Servis Merkezi Ltd. Şti. ("Goodrich')	Türkiye	Maintenance Services
Air Albania	Albania	Aircraft Transportation
Tanap Doğalgaz İletim A.Ş. ("TANAP")	Türkiye	Crude Oil Pipeline
Turusgaz Taahhüt Pazarlama ve Ticaret A.Ş. ("Turusgaz")	Türkiye	Gas Pipeline
We World Express Ltd. ("We World")	Hong Kong	Cargo and Transportation
TFS Akaryakıt Hizmetleri A.Ş. ("TFS")	Türkiye	Aviation Fuels
Türk Akım Gaz Taşıma ("Türk Akım")	Türkiye	Crude Oil Pipeline
Türk P ve I Sigorta A.Ş. ("Türk P&I")	Türkiye	Insurance

Interests in equity-accounted investees

	31 December 2025		31 December 2024	
	Direct Rate (%)	Effective Rate (%)	Direct Rate (%)	Effective Rate (%)
Turkmenturk	50.00	50.00	50.00	50.00
Sun Express	50.00	24.56	50.00	24.56
Turkish DO&CO	50.00	24.56	50.00	24.56
P&W T.T.	49.00	24.07	49.00	24.07
TGS	50.00	24.56	50.00	24.56
THY OPET	50.00	24.56	50.00	24.56
Goodrich	40.00	19.65	40.00	19.65
Air Albania	49.00	24.07	49.00	24.07
TANAP	30.00	30.00	30.00	30.00
Turusgaz	35.00	35.00	35.00	35.00
We World	45.00	22.10	45.00	22.10
TFS	25.00	12.28	25.00	12.28
Türk Akım	50.00	50.00	50.00	50.00
Türk P&I	50.00	50.00	50.00	50.00

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Associates of the Group as at 31 December 2025 and 2024 are as follows:

Associate	Country of incorporation	Nature of business
Türkiye Vakıflar Bankası T.A.O. ("Vakıfbank") (*)	Türkiye	Banking
Kardemir Karabük Demir Çelik Sanayi ve Ticaret A.Ş. ("Kardemir")	Türkiye	Production
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu Anonim Şirketi ("SPL")	Türkiye	Licensing
Enerji Piyasaları İşletme A.Ş. ("EPİAŞ")	Türkiye	Energy Market Operations
Türkiye Ürün İhtisas Borsası ("Ürün Borsası")	Türkiye	Stock Market Operations
Karadağ Borsası ("Karadağ")	Montenegro	Stock Market Operations
JCR Avrasya Derecelendirme A.Ş. ("JCR")	Türkiye	Rating
Çaysan Doğu Karadeniz Çay Entegre San. Tic. A.Ş.	Türkiye	Production
Eti Soda A.Ş. ("Eti Soda")	Türkiye	Chemical Production
Kobi Girişim Sermayesi Yatırım Ortaklığı Anonim Şirketi ("KOBİ")	Türkiye	Venture Capital
Halkbank Nederland NV ("Demir Halkbank")	Netherland	Banking
PTTEM Teknoloji ve Elektronik Hizmetleri A.Ş. ("PTTEM")	Türkiye	Information Technologies
TCDD Teknik Mühendislik ve Müşavirlik A.Ş. ("TCDD Teknik")	Türkiye	Consultancy
Türkiye'nin Otomobil Girişim Grubu San. Ve Tic. A.Ş. ("TOGG")	Türkiye	Production
Arap Türk Bankası Anonim Şirketi ("Arap Türk")	Türkiye	Banking
Birleşim Varlık Yönetimi A.Ş. ("Birleşim Varlık")	Türkiye	Asset Management
BOS Enerji ve Yatırım Ticaret A.Ş. ("BOS Enerji")	Türkiye	Energy Market Operations
Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Yıldız Tekno Girişim")	Türkiye	Venture Capital and Investment
TT Ventures Girişim Sermayesi Yatırım Fonu ("TT Ventures")	Türkiye	Telecommunications Infrastructure and Bandwidth Provider
Bankalararası Kart Merkezi A.Ş. ("Bankalararası Kart Merkezi")	Türkiye	Banking
Kredi Kayıt Bürosu A.Ş. ("KKB")	Türkiye	Banking
İstanbul Finans ve Teknoloji Üssü A.Ş. (İFTÜ)	Türkiye	Technology

(*) Since the Group does not hold privileged shares, it does not have control or joint control over the financial and operating policies of Vakıfbank. As the Group has significant influence, Vakıfbank is accounted for using the equity method.

Investments valued using the equity method

	31 December 2025		31 December 2024	
	Direct Rate (%)	Effective Rate (%)	Direct Rate (%)	Effective Rate (%)
Vakıfbank	73.26	73.26	74.79	74.79
Kardemir	4.41	4.41	4.41	4.41
SPL	41.00	33.05	41.00	33.05
EPİAŞ	30.83	24.85	30.83	24.85
Ürün Borsası	31.00	25.89	31.00	25.89
Karadağ	24.43	19.69	24.43	19.69
JCR	24.22	20.39	24.22	20.39
Çaysan	47.90	47.90	47.90	47.90
Eti Soda	26.00	26.00	26.00	26.00
KOBİ	31.47	28.79	31.47	28.79
Demir Halkbank	30.00	27.45	30.00	27.45
PTTEM	40.00	40.00	40.00	40.00
TCDD Teknik	40.00	40.00	40.00	40.00

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Investments valued using the equity method

	31 December 2025		31 December 2024	
	Direct Rate (%)	Effective Rate (%)	Direct Rate (%)	Effective Rate (%)
TOGG	23.00	6.03	23.00	6.03
Arap Türk	15.43	15.43	15.43	15.43
Birleşim Varlık	32.00	30.64	32.00	30.64
BOS Enerji	50.00	50.00	50.00	50.00
Yıldız Tekno Girişim	35.79	32.74	35.79	32.74
TT Ventures	100.00	61.68	100.00	61.68
Bankalararası Kart Merkezi	18.09	17.30	18.09	17.30
KKB	27.27	25.72	27.27	25.72
İFTÜ	51.00	51.00	-	-

Common control transaction

A common control transaction is a transfer of assets or an exchange of equity interests among entities under the same parent's control. 'Control' can be established through a majority voting interest, as well as variable interests and contractual arrangements.

The business combinations that realized under common control, in accordance with POA's Policy Decision on the Implementation of Turkish Financial Reporting Standards ("Principle Decision") which is numbered 2018-1 and dated 11 October 2018, accounted for using the "consolidation of rights" method. According to this method, assets and liabilities that are subject to business combination are included in the consolidated financial statements with their carrying values. No goodwill or negative goodwill has been calculated as a result of these transactions. The difference resulting from the offsetting of the amount of the participation amount and the share in the capital of the transferred company is directly accounted for under Equity as the "effect of business combinations under common control" within equity.

Under the circumstance that the recognized amount of the acquired's net assets at the date of merger exceeds the transfer price, any resulting difference is considered as additional capital contributions of the shareholders and the amount of the "Share Premiums" item is increased by the determined difference.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Government contribution

In line with the Fund's mandate, in 2017, 14 state-owned companies, the National Lottery and games of chance licenses, and equity interests in 46 investment properties were transferred to the Group from the Republic of Türkiye Prime Ministry Undersecretariat of Treasury (renamed in 2017 as the Undersecretariat of Treasury) and the Privatization Administration of Türkiye (renamed in 2017 as the Ministry of Treasury and Finance). The Horse Racing License was transferred to the Fund in 2018. Pursuant to Presidential Decisions No. 3923 and No. 3924 dated April 29, 2021, it was decided to remove from the privatization scope and program and transfer to the Türkiye Wealth Fund all shares in Türkşeker and 49% of the shares in Türk Tarım. Pursuant to Presidential Decision No. 8857 dated August 19, 2025, 100% of the shares of Türk Altın Holding A.Ş. held by the Undersecretariat of Treasury of the Republic of Türkiye were transferred to the Fund.

The fair values of these transferred state-owned companies, investment properties and lottery game licenses at the date of transfer to the Fund which are provided by external, independent valuers are accounted for as government contribution under equity. In the periods after the transfer, capital increases funded by Ministry of Treasury and Finance and dividend payments to Ministry of Treasury and Finance are accounted under government contribution.

Capital injection to state banks (Special Issued Government Debt securities)

In order to strengthen the capital structures of state banks, special issued government debt securities ('GDS') with a maturity of 5 years, an annual interest of 4.61%, nominal value of EUR 3,300, maturity date of 24 April 2019 and GDS with a maturity of 5 years, interest-free, nominal value of EUR 400 issued to Piyasa İstikrar ve Denge Fonu ('PİDF') by the Ministry of Treasury and Finance. PIDF has generated funds by selling the special issued GDS by the Treasury to state banks. These state banks respectively are Ziraat Bankası (EUR 1,400), Halkbank (EUR 900), Türkiye Vakıflar Bankası T.A.O. (EUR 700), Türkiye İhracat Kredisi Bankası A.Ş. (EUR 150), Türkiye Kalkınma ve Yatırım Bankası A.Ş. (EUR 150), Ziraat Katılım Bankası A.Ş. (EUR 100), Vakıf Katılım Bankası A.Ş. (EUR 100) and Türkiye Emlak Katılım Bankası A.Ş. (EUR 200). Subsequently, the resource was utilized to purchase private sector bonds issued by state banks (Ziraat Bank and Vakıf Bank) or to extend subordinated loans by the remaining six state banks. A financial liability to the Treasury has been accounted for in return for the special issued GDS. Transactions and balances made with Ziraat Bankası, Halkbank and Ziraat Katılım Bankası were eliminated during the consolidation of the financial statements. The debt to the Ministry of Treasury and Finance arising from the related transaction, which was due on 24 April 2024, has been redeemed through the utilization of a one-year term loan from public banks, and the maturity of the existing loans has been extended to 30 April 2029. The repayment option for the financial investments has not been exercised by the relevant banks, other than Vakıf Katılım Bankası, and the next repayment option date is 24 April 2029.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

The Fund increased share capitals of Ziraat Bankası, Halkbank and Vakıfbank by TRY 7,000 for each (TRY 21,000 in total) on 20 May 2020. As a result of the transaction, the Fund increased its share in Halkbank to 75.29% and obtained 35.99% share of Vakıfbank. Since the Fund owned 100% of Ziraatbank before the capital increase transactions, there is no change in the shareholding ratio. Within the scope of the transaction, the Fund borrowed from the Undersecretariat of Treasury with the debt securities issued as private placement by the Undersecretariat of Treasury. State banks acquired these debt securities from the Fund at market price and the cash obtained from the purchase was used as capital injection.

On 21 March 2022, the Türkiye Wealth Fund (TWF) made capital contributions totalling TRY 48,600, increasing the capital of T.C. Ziraat Bankası A.Ş, Türkiye Vakıflar Bankası T.A.O., and Türkiye Halk Bankası A.Ş by TRY 21,800, TRY 13,400, and TRY 13,400, respectively. It also provided subordinated loans totalling TRY 2,900 to Türkiye Kalkınma ve Yatırım Bankası A.Ş., Ziraat Katılım Bankası A.Ş., and Türkiye Emlak Katılım Bankası A.Ş., and provided in total capital support of TRY 51,500 for public banks. As a result of the capital support, the Fund’s shares in banks were changed as disclosed in Note 1. For this capital support, the Fund borrowed from the Undersecretariat of the Treasury through the debt securities issued as private placement by the Undersecretariat of Treasury. State banks acquired these debt securities from the Fund at market price and the cash obtained from the purchase was used as capital injection.

As at 29 March 2023, the Fund provided aggregate core capital support of TRY 111,700 to T.C. Ziraat Bankası, Türkiye Vakıflar Bankası T.A.O., and Türkiye Halk Bankası A.Ş., in the amounts of TRY 49,700, TRY 32,000, and TRY 30,000, respectively. Of the core capital support extended to Ziraat Bankası, TRY 4,700 was utilized to strengthen the capital structure of Ziraat Katılım Bankası. As a result of the transaction, the Fund’s equity interests in the banks changed, as disclosed in Note 1. In connection with this transaction, the Fund borrowed from the Undersecretariat of Treasury through debt securities issued via private placement and sold these securities to the state-owned banks at market price. The cash proceeds from the sale were applied to the capital increases.

In order to be used for strengthening the capital structures of public banks, on 27 December 2024 and 30 December 2024, respectively, the Ministry of Treasury and Finance ("Undersecretariat of Treasury") issued to the Piyasa İstikrar ve Denge Fonu ("PİDF") a special issue government domestic borrowing security ("GDBS") with a nominal value of TRY 20,500, with a value date of 21 December 2029, a 5-year maturity and TLREF interest payments, and a special issue GDBS with a nominal value of EUR 100, with a value date of 21 December 2029, a 5-year maturity, interest-free and without coupon payments. TVF Piyasa İstikrar ve Denge Alt Fonu ("PİDF"), in order to support the financial markets and strengthen the capital of public banks, issued, on 30 December 2024, an interest-free subordinated loan with a nominal value of EUR 100, a 5-year maturity and a value date of 21 December 2029, to Emlak Katılım A.Ş., and subordinated loans with TLREF interest payments and a 5-year maturity, with a value date of 21 December 2029, with a nominal value of TRY 4,000 to T.C. Ziraat Bankası A.Ş. and with a nominal value of TRY 16,500 to Türkiye Halk Bankası A.Ş. The transactions and balances between the Fund's subsidiaries, Ziraat Bankası and Halkbank, have been eliminated in consolidation.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

On 16 October 2025, a loan agreement based on a Qard al-Hasan contract, with a value of EUR 100 and a 5-year maturity, was signed between TVF Piyasa İstikrar ve Denge Alt Fonu ("PİDF") and Vakıf Katılım Bankası. The lender in this transaction is the bank, and the maturity date is 16 October 2030. The related financing does not bear any profit share. In accordance with the agreement, only the principal amount will be repaid at maturity. TVF Piyasa İstikrar ve Denge Alt Fonu ("PİDF"), in order to support the financial markets and strengthen the capital structures of public banks, extended a Subordinated Loan of EUR 100 to Vakıf Katılım Bankası A.Ş. on 16 October 2025. The related financing does not include interest or coupon payments. In accordance with the agreement, only the principal amount will be repaid at maturity. The amount extended under this transaction was provided to support the capital structure of the relevant bank, and the receivable and payable balances arising from this transaction are monitored under the relevant account groups in the financial statements. Since Vakıf Katılım Bankası is not a subsidiary of the Fund within the scope of consolidation, the related transaction and balances have not been eliminated in consolidation.

The maturity details of the related transactions are disclosed in Note 23.

Related parties

A related party is a person or entity that is related to the reporting entity, the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) Has control or joint control of the reporting entity,
- (ii) Has significant influence over the reporting entity or
- (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others),
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
- (iii) Both entities are joint ventures of the same third party,
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
- (vi) The entity is controlled or jointly controlled by a person identified in (a),
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

(c) The following are not related parties:

(i) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
(ii) two joint venturers simply because they share joint control of a joint venture,
(iii) Providers of finance, trade unions, public utilities and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity simply by the virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process)
(iv) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.

Revenue from contracts with customers

The Group recognizes revenue based on the following five principles in accordance with TFRS 15, 'Revenue from Contracts with Customers Standard':

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied

The Group evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations. The Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time.

When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation.

The Group books the transaction amount related to this performance obligation to the consolidated financial statements as revenue when the Group has fulfilled its performance obligations by transferring a contracted product or service to its customers. The good or service is transferred when (or as it is transferred) the customer obtains control of those goods or services.

Interest income and expenses

Interest income and expenses are accounted for using the effective interest method (the rate that equates the future cash flows of a financial asset or liability to its present net value).

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Interest income and expenses presented in the consolidated statement of income include:

- Interest on financial assets and liabilities at amortized cost calculated on an effective interest rate basis,
- Interest earned till the disposal of financial assets at fair value through profit or loss fees and commissions.
- Interest earned till the disposal of financial assets at fair value through other comprehensive income fees and commissions.

Interest income is recognized by applying an effective interest rate to the gross book value of the financial asset, except for financial assets that are credit impaired when purchased or created, and financial assets that are not credit-impaired financial assets when purchased or created but later become credit-impaired financial assets.

Fee and commission income and expenses

Income and expense from banking, agency and intermediary services are recognized according to TFRS 15 Revenue from Contracts with Customers.

Prepaid expense amounts are recognized as expense on an accrual basis during the service period.

Commission income from consumer, corporate and entrepreneurial loans are transferred to income accounts according to periodicity principle using effective interest rate method on an accrual basis. And the unearned portion is presented in other liabilities.

Commissions given for financial liabilities are recognised on a straight-line basis over the contractual period and prepaid part is presented in other assets.

Other fee and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, commissions for insurance business are recognised as the related services are performed.

When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

Net trading income

Net trading income includes gains and losses arising from disposals of financial assets at fair value through profit or loss, the disposal of fair value through other comprehensive income financial assets gains and losses on derivative financial instruments and foreign exchange differences. There are recognized under interest, premium, commission and other income or expenses.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Insurance

An insurance contract is a contract under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk covers all risks except for financial risks.

Insurance and investment contracts issued/signed by the insurance subsidiaries are accounted for as follows:

Earned premiums: For short-term insurance contracts, premiums are recognized as revenue, net of premiums ceded to reinsurance firms, proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at reporting date is recognized as the reserve for unearned premiums that are calculated on a daily pro-rata basis. Premiums are shown before deduction of commissions given or received and deferred acquisitions costs and are gross of any taxes and duties levied on premiums.

Reserve for unearned premiums: The reserve for unearned premiums represents the proportions of the premiums written in a period that relate to the period of risk subsequent to the reporting date, without deductions of commission or any other expense. Reserve for unearned premiums is calculated for all contracts except for the insurance contracts for which the Group provides actuarial provisions. The reserve for unearned premiums is also calculated for the annual premiums of the annually renewed long-term insurance contracts. The reserve for unearned premiums is presented under other payables in the accompanying consolidated statement of financial position.

Aviation and transportation revenue

Revenue is measured at the fair value of the consideration received or to be received. Passenger fares and cargo revenues are recognized as operating revenue when the transportation service is provided. Tickets sold but not used (un-flown) yet are recognized as passenger flight liabilities in deferred income as a passenger flight liability in accordance with TFRS 15, 'Revenue from Contracts with Customers'.

The Group develops estimates using historical statistics and data for unredeemed tickets. Total estimated unredeemed tickets are recognized as operating revenue. Agency commissions relating to the passenger revenue are recognized as expense when the transportation service is provided.

Aircraft maintenance and infrastructure support services are recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined, and the inflow of the economic benefits related with the transaction to the Group is probable.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Ticket Breakage Revenue

Tickets belonging to passengers who do not exercise their rights under the ticket agreement with the Group expire (break). If the passenger does not use the ticket within the contractual period, the Group recognizes this ticket as breakage revenue. Since it is not known how many of the unflown tickets will remain unused, the Group estimates the expected breakage amount based on historical data and trends. For the estimation of breakage tickets, under TFRS 15, ticket breakage revenue is recognized based on unflown tickets as of the planned flight date.

Ticket Change Revenue

Each fare type published by the Group has its own specific restrictions, including class upgrades and refunds. When a passenger modifies their reservation, cancels their flight, or issues a new ticket, a change fee is charged to the passenger. Since the passenger cannot benefit from the change service without flying, this service is not considered separately from the journey. Although the change fee is paid before the flight, the passenger will not benefit from the change service until the flight is completed. Therefore, the change fee is recognized as revenue together with the ticket fare on the flight date.

Debt securities trading revenue

Debt securities trading revenue consists of revenue from transactions in international bond markets where external debt instruments issued by the Republic of Türkiye Treasury and included on the exchange list and in the equity repo market, where transactions are carried out with the shares of the companies that are traded on Borsa İstanbul Equity Market and which are included in BIST 30 Index and deemed appropriate by a Board of Directors, fees from debt instruments traded on the outright purchase and sales market, the repo-reverse repo market, the repo market for specified securities, the interbank repo-reverse repo market where second hand fixed income security transactions are made, and the offering market for qualified investors, where capital market instruments, which can be purchased by 'qualified investors' as described in capital markets legislation are issued.

Rent income

Rent income from properties is recognized on a straight-line basis over the term of the relevant lease in other income from operating activities.

Revenue from natural gas sales and transmission services

The Group's performance obligation with respect to the sale of crude oil, natural gas and LNG is the delivery of the product to the buyer. Revenue from the sale of crude oil, natural gas and LNG is recorded by the delivery of the product and the transfer of legal ownership.

Games of chance revenues

Horse racing revenues consist of revenues generated from games played by accepting joint bets from within and outside the country on horse races held in Türkiye and abroad.

Game of chance revenues consist of revenues generated from games of chance including the national lottery, numerical games, and all similar games played for cash or cash equivalents.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

The Fund acts as principal in respect of games of chance and horse races. In performing its principal-versus-agent assessment within the scope of TFRS 15 "Revenue from Contracts with Customers", the Fund considered the following factors:

- The Fund takes the responsibility for fulfilment of the games.
- The Fund collects the revenue from the final customer and the main dealer earns a predetermined percentage of total turnovers.

As a result of the agent assessment of the Fund, the gross revenues generated from games of chance and horse racing are recognized as sales revenue. The Fund pays commission fees to its principal dealers and third parties for services received in relation to fulfilling its obligations concerning games of chance and horse races. Accrued commission expenses, along with prizes paid within the scope of games and races, are accounted for under the cost of sales as commissions and prizes related to games of chance. In addition to the commissions and prizes paid, the Fund accrues its liabilities to the relevant institutions in accordance with the laws specified below, based on revenues obtained from licenses pertaining to games of chance and horse racing. Calculated public shares, special account amounts, and taxes on games of chance are also recognized within the cost of sales.

According to the regulation in article 2 of the Law on Regulation of Taxes, Funds and Shares received from Games of Chance Revenues No. 5602 published in the Official Gazette dated 28 May 2022 and numbered 31849, the public share defined in the Law regarding the licenses transferred to the Türkiye Wealth Fund for 49 years is recorded as income by the Türkiye Wealth Fund or by a company to be established by the Türkiye Wealth Fund from the effective date until the end of the mentioned period. According to the provision stated in the same article, 8% of the public share allocated to licensed games of chance is calculated on a quarterly basis for each calendar year and transferred to the General Directorate of National Lottery for revenue recording.

Pursuant to Additional Article 1 of Law No. 6132 on Horse Racing, in the event that horse racing revenues exceed the total racing revenues of the previous calendar year, 40% of the difference is transferred to a special account to be opened for the Ministry of Agriculture and Rural Affairs at a public bank included in the Public Treasury System.

With the Presidential Decree No. 8003 dated 28 December 2023 within the scope of the Law No. 5602 on the Regulation of Taxes, Funds and Shares Collected from the Revenues of Games of Chance, the tax on games of chance was set as 5% for joint bets based on sports events, 7% for horse races and 10% for other games of chance, effective from 1 January 1 2024.

Telecommunications service and equipment revenues

Revenue from telecommunication services includes postpaid and prepaid revenue from voice, data, messaging and value-added services, interconnect revenue, monthly fixed fees, SIM card sales and roaming revenue. The Group transfers control of these services over time and, therefore, satisfies the performance obligations and recognizes revenue from telecommunication services over time.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Services may be bundled with other products and services and these bundled elements involve consideration in the form of a fixed fee or a fixed fee coupled with a continuing payment stream. A good or service is distinct if both of the following criteria are met:

a) The good or service is capable of being distinct,
b) The promise to transfer the good or service is distinct within the context of the contract.

Revenue from device sales is recognized when control of the device has transferred, being the time when delivered to the end customer. For device sales made to intermediaries, revenue is recognized at the time when control of the device has been transferred, being when the products are delivered to the intermediary and the intermediary has no general right to return the device to receive a refund. If control is not transferred, revenue is deferred until sale of the device to an end customer by the intermediary or expiry of any right of return.

The Group, the distributors and dealers offer joint campaigns to the subscribers which may include the sale of device by the dealer and/or the distributor and the sale of communication service by the Group. In certain campaigns, dealers make the handset sale to the subscribers, the instalments of which will be collected by the Group based on the letters of undertaking signed by the subscribers. With the letter of undertaking, the dealer assigns its receivables from handset sales to the distributor and the distributor assigns its receivables to the Group.

The Group pays the distributor the net present value of the instalments to be collected from the subscribers and recognizes contracted receivables in its statement of financial position. The undue portion of assigned receivables from the distributors which were paid upfront by the Group is classified as "undue assigned contracted receivables" in trade receivables. When monthly installment is invoiced to the subscriber, related portion is presented as "receivables from subscribers".

The Group collects the contracted receivables in installments during the contract period and does not recognize any revenue for the handset in these transactions when the Group does not act as principal for the sale of handset.

Starting from 2016 the Group and distributors started to offer the option to buy a device through consumer financing loan, which will be collected by Turkcell Finansman. The Group carries a risk of collection in these transactions. Turkcell Finansman collects the purchased credit from the subscriber during the contract period and does not record revenue related to the device when it does not act as principal for the sale of device. Revenue from financial services comprise of interest income generated from consumer financing activities. Interest income is recognized as it accrues, using the effective interest method.

Call center revenues are revenues from call center services provided by Turkcell Global Bilgi and call center revenues are recognized at the time services are rendered during the contractual period.

Volume-based refunds and discounts in roaming and other services and other contractual price changes, are considered by the payer and the collector when they are likely to be earned and effective. For this reason, contractual returns and discounts are considered but refunds and discounts at the request of the other party are not considered as they do not meet the definitions of assets and liabilities.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

When the Group sells goods or services as a principal, revenue and operating costs are recorded on a gross basis. When the Group sells goods or services as an agent, revenue and operating costs are recorded on a net basis, representing the net margin earned. Whether the Group is considered to be acting as principal or agent in the transaction depends on management's analysis described below:

a) The entity is primarily responsible for fulfilling the promise to provide the specified good or service,
b) The entity has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer,
c) The entity has discretion in establishing the price for the specified good or service.

Such decisions affect reported revenue and operational expenses; however, it has no impact on reported assets, liabilities and cash flows. Since the Company acts as principal in the "Agreement on Adding Mobile Broadband Services to the Existing Infrastructure Providing GSM Services under Universal Service Law and Operating the New and Existing Networks Together" signed with the Ministry, revenue and operating costs are reported on a gross basis in the consolidated financial statements. Monthly fixed fees represent a fixed amount charged to postpaid subscribers on a monthly basis without regard to the level of usage. These revenues are recognised in the months in which they are invoiced.

Certain contractual costs of customer/subscriber acquisition are deferred and amortised over the life of the contract as the revenue is recognised in the consolidated financial statements within the scope of TFRS 15.

When either party fulfills the contract obligation, the Group disclose the contract as a contract asset or contractual liability in the note of other current and non-current assets and short-term and long-term deferred income in the balance sheet, depending on the relationship between the Group's performance and the customer's payment. Group disclose its unconditional rights regarding the price separately as a receivable. Before the Group transfers a good or service to a customer, if the customer pays the price or the Group has an unconditional right to receive the price (i.e., a receivable), the contract is to be disclosed on the date the payment is made or the payment is due (whichever is earlier. provided), as a contractual obligation. The contractual obligation is the Group's obligation to transfer the goods or services to the customer in return for the amount collected (or is entitled to collect) from the customer. In cases where the Group performs its performance obligation by transferring goods or services to the customer before the customer pays or before the payment is due, the Group discloses the contract as a contract asset (excluding the amounts disclosed as receivables). A contract asset is the Group's right to receive consideration for goods or services transferred to the customer. The group assesses the contract asset for impairment in accordance with TFRS 9. The impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset within the scope of TFRS 9.

Gold and Silver Revenues

The Group's gold and silver revenues comprise the operation of gold mines, gold exploration activities across Türkiye, ongoing projects, and the development of gold mining sites. The Group consigns the gold contained in the doré bars it produces to a domestic bank for sale to the Central Bank of the Republic of Türkiye, which holds a right of first refusal, and consigns the silver for sale to a domestic refinery. Given that the sales are effected on a cash basis and the customers are corporate entities, and taking into account its historical experience, the Group manages the credit risk arising from these sales effectively.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Inventories

Inventories are measured at the lower of cost or net realizable value. The costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory held by the method most appropriate to the particular class of inventory, with the majority valued by using the monthly weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

When cost of inventories is less than net realizable value, inventories are decreased to the amount of net realizable value and impairment for the period is reflected on profit and loss statement. The impairment provision is cancelled when the conditions resulting to the decrease in the net realizable value are no longer effective and when there is evidence that there is an increase in the net realizable value. The cancellation amount is limited to the amount of previously booked impairment amount.

Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing and other costs less accumulated depreciation and any accumulated impairment loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost value of the property, plant and equipment comprise of purchase price, import taxes and non-refundable purchase taxes, expenses incurred to prepare the property, plant and equipment ready for use, and loans used to acquire the property, plant and equipment, interest incurred and exchange rate differences while the property is in the investment phase.

Changes in the obligation to dismantle, remove assets on sites and to restore sites on which they are located, other than changes deriving from the passing of time, are added or deducted from the cost of the assets in the period in which they occur. The amount deducted from the cost of the asset shall not exceed the balance of the carrying amount on the date of change, and any excess balance is recognized immediately in profit or loss. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use.

Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell. The Group accounts for its oil and gas exploration, development and production activities under the successful efforts method of accounting, having regard to the requirements of TFRS 6, 'Exploration for and Evaluation of Mineral Resources'. Under this method, costs of acquiring properties (including the cost of rights to operate a license area), costs of drilling development wells, and costs of drilling successful exploratory wells are capitalized.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Costs without any identifiable future benefit are expensed, like geological and geophysical costs, and the costs of drilling exploratory wells that do not find or expected to find proved reserves are written off through the statement of profit or loss. Costs for future abandonment, or asset retirement obligations, of the offshore and onshore facilities are capitalized as part of the investment, and the present value of future liability accrued as a liability.

Development and production assets are accumulated on a field-by-field basis and represent the cost of developing the commercial reserves discovered and bringing them into production, together with the exploration expenditures incurred in finding commercial reserves transferred from intangible assets.

The Group capitalizes the costs of drilling exploratory wells and certain costs related to operating oil and gas licenses pending in transit accounts until the determination of whether the wells, and related license areas, have found proved oil and gas reserves. Judgments on whether these expenditures should remain capitalized or charged to profit due to impairment in the year that may materially impact the profit or loss for the year.

Capitalized costs depleted under the units-of-production method based on estimated proven oil and natural gas reserves. The depletion base includes total capitalized costs and it is reduced with salvage value. Changes in the estimates of commercial reserves or future field development are accounted prospectively.

In classifying costs, a distinction is made between tangible and intangible assets. This assessment is made on a field-by-field basis. Costs relating to drilling exploratory wells and costs relating to acquisition of exploration licenses are initially classified as intangible assets. Such assets will be re-classified to tangible assets when the technical feasibility and commercial viability of extracting the resources are demonstrable.

The Group has classified the cost of assets that are acquired directly or through finance leases into the following parts, by considering the renewal of significant parts of the aircrafts identified during the overhaul maintenance and overhaul of aircraft fuselage and engine, fuselage, overhaul maintenance for the fuselage, engine and overhaul maintenance for the engines. Overhaul maintenance for the fuselage and overhaul engine repair parts are depreciated over the shorter of the remaining period to the next maintenance or the remaining period of the aircraft's useful life.

They are capitalized subsequent to overhaul maintenance for the fuselage and engines and are depreciated over the shorter of the next maintenance period or the remaining period of the aircraft's useful life.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Depreciation

Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite useful life. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods areas as at 31 December 2025 and 2024 are as follows :

	Useful Life (year)
Land improvement	2-50 years
Buildings	2-50 years
Machinery and equipment	3-50 years
Motor vehicles	4-15 years
Furniture and fixtures	3-25 years
Leasehold improvements	3-28 years
Aircrafts	25 years
Components and repairable spare parts	3-18 years
Spare engines	25 years
Satellites	18-22 years
Oil and gas assets	Units of production
Pickling expenses	Units of production
Network equipment (operational)	3-25 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The useful lives of the Group's property, plant and equipment are limited to the term of the concession agreement, except for those falling outside the scope of Türk Telekom's concession agreement. Due to concrete progress made in negotiations with official authorities regarding the extension of the Fixed Line concession agreement, and having obtained confirmation from the relevant authority regarding compliance with accounting standards, the Group has, effective from 1 January 2024, revised the remaining useful lives of the property, plant and equipment within the scope of the concession. Taking the Concession Agreement into consideration, the remaining useful lives of property, plant and equipment are up to a maximum of 24.2 years.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Mining Assets

Mineral assets include mine site development costs, mining rights, mining lands, deferred stripping costs, and discounted costs related to mine site rehabilitation and closure. These assets are reflected in the consolidated financial statements at their net carrying amount, after deducting accumulated depreciation and any impairment losses from acquisition costs. Depreciation of mineral assets begins when production starts and is allocated to production costs.

Mine site development costs encompass expenditures such as underground works for the evaluation of new ore veins and production from existing veins and are capitalized only when it is highly probable that they will generate future economic benefits. Costs incurred during production are capitalized only as long as they are directly attributable to mine site development. Production-related costs are recognized as expenses in the consolidated profit or loss and other comprehensive income statement.

If mine site development costs cannot be distinguished from exploration and evaluation expenses, such costs are expensed in the period they are incurred through the consolidated profit or loss statement.

Mineral assets begin to be depreciated when they are ready for full capacity use and their physical condition meets the production capacity determined by Group management. Mine development costs are capitalized when it is highly probable that future economic benefits will be realized and are depreciated considering these economic benefits. At initial recognition, mine development costs are allocated to segments as identifiable by individual mine sites and each segment is depreciated separately using the units of production method, taking into account the economic benefits from each mining site.

Major and significant revision works performed on the mine, which increase the economic benefits expected to be obtained over the life of the related mine, are capitalized. Routine maintenance and repair costs, which are not considered major and significant revisions, are recognized as expenses in the consolidated profit or loss statement in the period incurred.

Mine development costs at each mining site are depreciated based on the depletion rate calculated by dividing the total ounces of gold extracted from the related mine during the period by the total ounces of proven and probable recoverable remaining gold reserves at the mine. Proven and probable reserves at each mining site represent the known and measurable quantities of ore that are economically extractable and processable within the foreseeable future.

Apart from the lands on which production facilities are established and waste is stored, the Group also acquires land for mining exploration activities. These lands are accounted for within mineral assets and are reflected in the consolidated financial statements at acquisition cost. When ore extraction begins on the related mining site, these lands start to be depreciated using the depletion rate calculated by dividing the remaining proven and probable recoverable gold reserves (in ounces) by the total proven and probable recoverable reserves at the mining site.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

The production costs corresponding to the portion of stripping benefits realized in the form of produced inventory are capitalized as part of the inventory cost. Overburden removal costs related to each open-pit ore deposit and phases of each ore deposit, as long as they are measurable, are accounted for considering calculated ratios.

Deferred mining costs consist of direct costs incurred from stripping activities at open-pit ore deposits and are depreciated over the remaining life of the open pits.

The actual mining ratio is calculated as the ratio of waste to ore extracted from the open pit. The estimated mining ratio is based on the future expected ore extraction amount over the remaining life of each open pit. If the actual mining ratio exceeds the estimate, a portion of the costs incurred during the year is capitalized. Conversely, if the actual ratio is lower than estimated, costs are recorded as production expenses based on the depreciation rate. The mine life is reviewed annually, and changes in the mining ratio are reflected in future costs.

Mining rights are recognized in the financial statements at acquisition cost and amortized over their economic lives. Costs related to rehabilitation, remediation, and closure of mining sites represent the discounted future expenditures and are recorded as provisions. These provisions are calculated considering risks and discount rates and are reviewed at each reporting period. Environmental protection costs are expensed periodically as incurred.

Mining exploration, evaluation and development expenditures

Pre-license costs are expensed in the period incurred.

Post-license mining exploration and evaluation expenditures encompass various technical services ranging from prospecting and exploration stages of the mining site to the implementation of the mining project. These services include geological studies, reserve estimations, production planning, ore beneficiation projects, and feasibility studies.

Mine site development costs are capitalized in mining areas where future economic benefits are expected. Exploration and evaluation expenses are capitalized when directly attributable to the development of the mining site. Upon the decision to commence production, all costs are transferred to the mineral assets account; however, if it is determined that no economic benefits will be realized, the costs are recognized in the consolidated profit or loss statement. Mineral assets are depreciated from the start of production following the preparation period. After capitalization of development costs, Group management assesses impairment at each reporting period. If indicators such as a decline in reserve quantities or expiry of mining rights are identified, the recoverable amount is estimated, and impairment losses are recognized as expenses in the consolidated profit or loss statement to reduce the carrying amount to the recoverable amount.

Leases

The Group has accounted its' right of use assets and liabilities from real estates, plants and equipment, fixtures, vehicles, airplanes and spare engines, land improvements and satellite capacity within the scope of TFRS 16 upon its' financial statement.

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset).
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- Group has the right to direct the use of an identified asset,
- Group has the right to direct the use of an identified asset. Company has the right to direct the use of the asset throughout the period of use only if either:

  i. Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
  ii. Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Right-of-use assets

The Group accounts the right of use assets at the beginning of the financial leasing contract (for example, when the specified assets is ready for use). Right of use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The cost of the right-of-use asset comprises:

a) the amount of the initial measurement of the lease liability,
b) any lease payments made at or before the commencement date, less any lease incentives received,
c) any initial direct costs incurred by the Group, and
d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

Unless the transfer of the related asset at the end of lease is reasonably uncertain, the Group depreciates the right of use asset from the beginning of the lease until the end of the useful life of the related asset.

Right of use assets are subject to assessment of impairment.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Aircraft;

For the aircraft operating lease agreements, the lease term corresponds to the non-cancellable duration of the agreements signed except in cases where the Group is reasonably certain of exercising either an extension option or an early termination option which is included in the agreement. For each currency, Group's incremental borrowing rate is used to determine the lease liability. TFRS 16 requires including maintenance costs in the right of use asset. According to that, the Group decides whether the maintenance cost is capitalized to the right of use asset by analyzing whether the maintenance cost is avoidable or unavoidable. The Group is obliged to return leased aircraft and their engines according to the redelivery condition which is set in the lease agreement. The Group needs to either maintain the aircraft so that it meets the agreed redelivery condition or settle the difference in cash to the lessor if the condition of the aircraft and its engines differs from the agreed redelivery condition. Maintenance costs can be divided into two groups; costs that incur independent of the usage of the aircraft / leasing period and costs that incur dependent on the usage of the aircraft / leasing period. Costs depending on the usage of the aircraft are not included as part of the right of use asset cost.

Lease liabilities

Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term at the commencement date of the lease. In calculating the present value of lease payments, the Group / Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. Incremental borrowing rate is determined by the Group as borrowing rates at the commencement date of the lease. The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
c) Amounts expected to be paid under residual value guarantees,
d) Exercise price of a purchase option reasonably certain to be exercised by the Group,
e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability,
b) Reducing the carrying amount to reflect the lease payments made and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Significant assumptions and estimates related to options to extend or terminate the lease:

Group assesses the contractual options to extend or to terminate the lease when determining the lease liability. The majority of the options to extend and terminate are exercisable both by the Group and the respective lessor. Group determines the lease term of a lease considering the periods covered by options to extend and terminate the lease if the options are exercisable by the Group and the Group is reasonably certain to exercise those options. If a significant change in circumstances takes place, related lease term assessment is revisited by the Group.

The practical expedients

The Group applies the short-term lease recognition exemption (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).

The Group also applies the exemption for recognition of low-value assets to assets whose rental value is considered to be low-value. Short-term lease contracts and lease contracts of low-value assets are recorded as expenses on a straight-line basis over the lease term.

Short-term lease contracts with a lease term of 12 months or less and contracts related to information technology equipment leases (mainly printers, laptops, mobile phones, etc.) determined by the Group as low-value are evaluated within the scope of the exemption granted by TFRS 16 Leases Standard, and payments related to these contracts continue to be recognized as expenses in the period in which they are incurred.

A single discount rate is applied to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease terms for a similar asset class in a similar economic environment).

a) Group - as a lessee

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Leases as operating leases are classified as investment properties or operating lease assets on the consolidated income statement and rent income is recognized as income a straight-line basis over the lease term.

In operating leases, leased assets are classified under investment properties, property, plant and equipment or other current assets in the consolidated balance sheet, and the rent income obtained is recognized in the consolidated income statement in equal amounts during the lease period. Rent income is recognized as income a straight-line basis over the lease term.

b) Group - as lessor

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. After the assessment the Group recognizes both a right of use asset and lease liability at the actual beginning date of the lease.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

c) Related party leases

The Group which is a lessee in the lease agreement between the group companies, reverses the right of use assets and lease liabilities, as well as the depreciation and interest expenses, accordance with TFRS 16, and eliminates the accrued debt and rent expenses arising from the lease agreement on the balance sheet.

Maintenance and Repair Cost

Regular maintenance and repair costs for owned and leased assets are charged to cost of sales as incurred. Aircraft and engine overhaul maintenance checks for owned and leased aircrafts are capitalized and depreciated over the shorter of remaining period to the following overhaul maintenance checks or the remaining useful life of the aircraft. For aircraft held under operating leases the Group is contractually committed to either return the aircraft in a certain condition or to compensate the lessor upon return of the aircraft. The estimated airframes and engine maintenance costs are accrued and charges to profit or loss over the lease term, based on the present value of the estimated future cost of the major airframe overhaul, engine maintenance calculated by reference to hours or order operated during the year.

Payments made for engine maintenance reserves and major maintenance contributions to lessees under lease agreements are recorded as prepaid engine maintenance expenses.

Intangible assets

Intangible assets mainly comprise goodwill, rights, slot rights and purchase technical licences, software licences, capitalized development costs, oil and gas assets, contract acquisition costs, computer software, brands, transmission line software, GSM and other telecommunication operating licences, license to organize national horse races, license to organize games of chances, subscriber acquisition costs, indefeasible rights, customer relations and intangible assets that are accounted within the scope of TFRS Interpretation 12.

Intangible assets are initially recognized at acquisition cost and amortized on a straight-line basis over their estimated useful lives. Cost of an intangible asset acquired by a business combination is its fair value at the acquisition date. In accordance with TAS 36, The Group tests an intangible asset with an indefinite useful life for impairment by comparing the recoverable amount of the asset with its carrying amount: (a) annually; and (b) whenever there is an indication that an intangible asset may be impaired. Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognized as an expense.

Acquired computer software licenses and transmission live software are capitalized based on the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Research costs are recognized and expensed in the income statement in the period in which they are incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognized as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility and only if the cost can be measured reliably. Other development expenditures are recognized as an expense as incurred. Development costs previously recognized as an expense cannot be recognized as an asset in subsequent periods.

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use and an intangible asset arising from development is recognized when the following are demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale,
b) Its intention to complete the intangible asset and use or sell it,
c) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset,
d) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
e) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group has recognized the costs of investments required to provide telecommunications services under the concession agreement, together with comparable profit margins applied to similar construction services and infrastructure investments in the market, as intangible assets in accordance with TFRS 12 "Service Concession Arrangements." These infrastructure investments are accounted for as "Concession Rights and Assets" in the consolidated financial statements, based on the completion status of the infrastructure. The amortization period and method are adjusted in line with changes in the estimated useful life or the pattern of consumption of the future economic benefits expected from the assets, with such changes treated as changes in accounting estimates. Amortization expenses for intangible assets with finite useful lives are recognized in the consolidated profit or loss statement. The amortization periods for intangible assets range between 3 and 25 years.

Amortization

Amortization is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives. Intangible assets with indefinite useful lives are not amortized, however are tested for impairment annually. Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognized as an expense.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

The estimated useful lives as of 31 December 2025 and 2024 are as follows:

	Useful Life
GSM and other telecommunication operating licenses	3-25 years
Indefeasible rights	15 years
Transmission line software	5-10 years
Customer relations	2-15 years
Development expenses	5-20 years
Slot rights and acquired technical licenses	Indefinite
Goodwill	Indefinite
Subscriber acquisition costs	2-6 years
Software Licenses	3-20 years
Contract acquisition costs	55 months
Brand	Indefinite
Right of Horse Races and Lottery Games Licenses	49 years
Rights	3-30 years
Other intangible assets	3-10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets with finite useful lives are amortized over the shorter of their economic useful life or the duration of the concession agreement using the straight-line method. Except for those intangible assets falling outside the scope of the concession agreement, the remaining economic useful lives of intangible assets are limited by the concession agreement. Due to tangible progress made in discussions with regulatory authorities regarding the extension of the fixed line concession Agreement, the Group has obtained confirmation from the relevant authority on compliance with accounting standards and accordingly revised the remaining useful lives of intangible assets within the scope of the concession as of 1 January 2024. Considering the Concession Agreement, the remaining useful lives of intangible assets do not exceed 24.2 years.

Derecognition

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. Gains or losses recognised in profit or loss when the asset is derecognized.

Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred and tax assets to determine whether there is an indication that an asset may be impaired at each reporting date. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated.

Borrowing costs

Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use or sale; where applicable, borrowing costs that are directly attributable to the acquisition, construction or production of such assets (including interest expense and foreign exchange differences to the extent they are regarded as an adjustment to interest costs, measured by reference to the difference between the TRY reference rate and the borrowing cost on foreign currency loans) are capitalized as part of the cost of the related asset until it is ready for its intended use or sale. Borrowing costs not within this scope are expensed as incurred.

Financial Instruments

Financial instruments comprise financial assets, financial liabilities and derivative instruments. The financial assets are included in the consolidated statement of financial position of the Group, if the Group is a legal party of these financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and other highly liquid short-term investments with maturities of three months or less following the date of acquisition, which is readily convertible to a known amount of cash and does not bear the risk of significant amount of value change. The Group assess impairment for cash and cash equivalents by using the expected credit loss model.

Repurchase transactions

The Group enters into purchases/sales of investments under agreements to resell/repurchase substantially identical investments at a certain date on a fixed price. Investments purchased are subject to commitments to resell them at future dates. Securities acquired under commitment to resell are recognized as cash and cash equivalents on the consolidated financial statement. Receivables are recognized as collateralized by underlying securities. Income rediscount is calculated using internal rate of return for the current year charge of the difference between the purchase and resell prices in the reverse repo contracts and included in "finance income".

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Investments sold under repurchase agreements ("Repo") are classified as "Fair Value Through Profit/Loss ('FVTPL')", "Fair Value Through Other Comprehensive Income" ('FVTOCI') or amortized cost ('AC') and measured on the basis of relevant classification. Interest expense rediscounts of funds obtained through repo agreements are calculated with internal rate of return and are included in "finance expenses".

Reserve Balances at Central Bank of the Republic of Türkiye

Banks that are established in Türkiye or performing their operations by opening new branches in Türkiye are subject to Communiqué on Required Reserves of Central Bank of the Republic of Türkiye's ('CBRT') numbered 2013/15. Based on accounting standards and registration layout for banks and finance companies, except from liabilities to Central Bank, Treasury, domestic banks, and head offices and branches in Türkiye of the banks established by international agreements, the items specified within the Communiqué, constitute required reserves liabilities.

The banks provide mandatory provisions for Turkish currency (TC) and foreign currency (FC) obligations mentioned in the communiqué to the CBRT. Required reserves can be kept in Turkish Lira, US Dollar, Euro and standard gold.

Financial assets

Financial assets formed for the purpose of giving direct loans or debts by the Group are classified as receivables from financial sector operations. These instruments have the ability to expose, affect and diminish the risks of liquidity, credit and interest in the financial statements.

Financial assets are recognized or derecognized in accordance with the provisions of "Recognition and Derecognition" set forth in Section 3 of TFRS 9. Upon initial recognition, financial assets are measured at their fair value. The classification of financial instruments at initial recognition depends on the relevant business model used by management and the contractual cash flow characteristics.

Assessment of business model

The Group classified all its financial assets based on the business model for managing the financial assets. Accordingly, the financial assets are classified as per TFRS 9 in three main categories listed below:

1. Financial assets measured at amortized cost,
2. Financial assets measured at fair value through other comprehensive income and
3. Financial assets measured at fair value through profit/loss.

<u>1. Financial assets measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met:

a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
b) Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Financial assets measured at amortized cost are loans and financial investments. Financial investments measured at amortized cost, after initial recognition, are accounted for at amortized cost using the effective interest method. Loans are initially recognized at acquisition cost, reflecting their fair value at initial recognition, and subsequently carried at amortized cost calculated using the effective interest method.

2. Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value with changes recognized in other comprehensive income if both of the following conditions are met.

a) Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
b) Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income are valued at their fair value subsequent to initial recognition. Gains or losses arising from a financial asset measured at fair value through other comprehensive income, excluding gains or losses related to expected credit loss provisions and foreign exchange gains or losses, are recognized in other comprehensive income until the financial asset is derecognized or reclassified.

3. Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at their fair values and are revalued at their fair values after recognition. All gains and losses resulting from these valuations are recognized in profit or loss.

Fair value is the value at which an asset can be exchanged or a liability settled in markets where willing buyers and sellers come together. The fair value of a financial asset is equal to the amount obtainable from the sale or the liability arising from the acquisition, in the presence of an active market.

The estimated fair value of financial assets is determined by the Group using market information and necessary valuation methods. However, interpretation of market data used to determine fair value is required. Therefore, the estimates presented may not be the values that the Group would realize under current market conditions if its assets were to be disposed of. It is assumed that the carrying values of some financial instruments, which are equal to their cost values, are equal to their fair values due to their short-term nature.

The Group may derecognise a financial asset only if the contractual rights to the cash flows from the financial asset expire or it transfers or retains the contractual rights to receive the cash flows from the financial asset.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Where the Group retains the contractual rights to receive cash flows from a financial asset (“initial asset”) but assumes a contractual obligation to pay those cash flows to one or more entities (end buyers). considers this transaction as a transfer of a financial asset. In order for this transaction to be considered a transfer of a financial asset, the Group does not have an obligation to make payments to the final buyers, the asset is not sold or pledged, and any cash received by the Group on behalf of the final buyers is a significant delay, unless the same amount is collected from the original asset. must meet the conditions of obligation to remit to buyers without.

If the contractual cash flows of a financial asset have been changed or otherwise restructured and such modification or restructuring does not result in derecognition of the financial asset, the gross carrying amount of the financial asset is recalculated and the restructuring gain or loss is recognized in profit or loss. Gross book value of the financial asset; The modified cash flows are recalculated as the present value of the financial asset, discounted at the initial effective interest rate (or, for financial assets with credit impairment at the time of purchase or origination, the credit-adjusted effective interest rate) or, where applicable, the revised effective interest rate.

In the absence of reasonable expectations of a partial or total recovery of the financial asset's value, an entity reduces the gross carrying amount of the financial asset directly. A write-off is a cause for derecognition.

Equity instruments

The Group measures all investments in equity instruments at fair value. However, in exceptional circumstances such as when there is insufficient recent information to measure fair value, or when fair value can be measured using multiple valuation techniques and cost best represents the estimate of fair value cost may be an appropriate estimation technique for determining fair value.

At initial recognition, the Group may make an irrevocable choice to present subsequent changes in fair value of equity instruments not held for trading in other comprehensive income. Amounts presented in other comprehensive income cannot be transferred to profit or loss in subsequent periods. However, the total gain or loss can be transferred to equity. Dividends from such investments are recognized as profit or loss unless they are clearly a recovery of part of the cost of the investment.

Trade receivables

Trade receivables arising from the provision of goods or services to customers are presented net of unearned finance income. Trade receivables, net of unearned finance income, are determined by discounting, using the effective interest method, the amounts to be collected in subsequent periods from receivables initially recognized at their original invoice amounts. Short-term receivables that do not bear a contractual interest rate are carried at cost (invoice amount) where the effect of discounting at the original effective interest rate is not significant.

Credit finance income/expenses and foreign exchange gains/losses arising from trading activities are accounted for under “income/expense from operating activities” in the consolidated statement of profit or loss.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Expected credit losses

Expected credit losses is provided for all financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles. Expected credit losses on receivables from finance sector operations are classified under "interest, premium, commission and other expense" in the consolidated statement of profit and loss, expected credit losses on receivables from other remaining sector operations are classified under "other expense from operating activities" in the consolidated statement of profit and loss. The main principle of the expected credit loss model is to reflect the general outlook of deterioration or improvement in the credit quality of financial instruments. The amount of expected credit losses known as loss provision or provision varies according to the degree of increase in credit risk. There are two measurements according to the general approach:

- 12-Month Expected Loss (Stage 1) applies to all assets unless there is a significant deterioration in credit quality,
- Lifetime Expected Loss (Stage 2 and Stage 3) is applied when there is a significant increase in credit risk.

The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and securities) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

The Group calculates the expected credit loss on a collective basis by grouping the financial assets having common credit risk features or on an individual basis.

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Time value of money,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting.

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

12-month expected credit losses on financial assets (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. It is valid for all assets unless there is a significant deterioration in the quality of financial assets.

The expected 12-month loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of loss of life expectancy.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Lifetime expected losses of financial assets (Stage 2) (Significant increase in credit risk)

Financial assets are transferred to Stage 2 if there is a significant increase in credit risk. The expected loss provision is calculated by calculating lifetime expected credit loss provision for loans under Stage 2 is calculated by taking into consideration the remaining maturity. The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the Stage 2 are the close monitoring, the number of delay days being 30 and above, and internal early warning system note.

Credit-Impaired financial assets (Stage 3) (Lifetime expected credit losses)

Financial assets have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest income is calculated on the net carrying amount.

A financial asset is considered as default on these two conditions:

- Objective Default Definition: It means debt having past due more than 90 days,
- Subjective Default Definition: It means it is considered that a debt is unlikely to be paid. If the debtor is deemed to be unable to fulfill debts related to the loan, the debtor is considered to be in default regardless of the number of days of delay.

The aggregate assessment of financial instruments is based on homogeneous group assets resulting from portfolio segmentation based on similar credit risk and product characteristics.

Credits that differ in cash flows or have different characteristics with other credits may be subject to individual valuation instead of aggregate valuation. A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected Effective Interest Rate value and discounted cash flows. When cash flows are estimated, the following situations are considered:

- During the expected life of the financial instrument, all contractual terms of the financial instrument,
- Cash flows expected to be obtained from collateral sales.

In the calculation of the expected credit loss, the basic parameters which are expressed as probability of default, loss given default and exposure at default are used.

Probability of default

Probability of default refers to the likelihood that a loan will default at a certain time. In Default Probability models, sectorial information for the corporate portfolio and product information for the Individual portfolio are taken as the basis. Probability of default are calculated by using statistics model data for each loan.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Exposure at default

The exposure at default represents the expected gross receivable if a loan is defaulted. According to TFRS 9 in calculating EAD, the estimation of how customer risk rating changes over time is important. Amount of EAD for cash and non-cash loans are calculated in different ways.

Cash loans are divided into two parts as loans with payment plan and loans without payment plan. For loans with payment plan, EAD is calculated by considering the installments to be paid in the future. For cash loans without payment plan, EAD is calculated by keeping credit balance constant. For non-cash loans and limit commitments EAD is calculated by regarding to credit conversion factor and behavioral maturity periods.

Loss given default

Loss given default refers to the ratio of the economic net loss resulting from the default of a loan to the default amount. In other words, it refers to the ratio of net loss due to a defaulted loan to the balance at the time of default.

Future expectations

The effect of future expectations is included in the credit risk parameters used in the calculation of expected credit losses by using scenarios related to macroeconomic factors. Considering the compatibility of the main macroeconomic variables that make up these forecasting models with the portfolio, risk parameters are re-evaluated by the experts in the group companies in each reporting period and updated if needed. Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations. Scenario weights are reviewed at each reporting period and updates are made if deemed necessary.

The methodology of behavioral maturity calculation

Expected credit loss for the loans in Stage 1, which have less than one year to due date and for the loans which have more than one year are calculated for one year and for the loans in Stage 2 lifetime (until maturity date) ECL is calculated. In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioral maturity is calculated by analyzing historical data for products with no maturity information. Expected loss provisions are calculated based on these maturities depending on the type of loan.

Write-off Policy

The portion of loans for which are not reasonably be expected to be recovered, despite the allocation of a lifetime expected credit loss provision or a specific provision due to the debtor's default, is written off from the records within the period deemed appropriate by the bank, specific to the debtor's situation, starting from the first reporting period following their classification in this Group under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Simplified approach

The Group's subsidiaries other than banks have chosen to use the 'simplified approach' defined in TFRS 9 for the recognition of impairment losses on trade and other receivables, which are carried at amortized cost and do not include any significant financial component (maturity less than 12 months). In accordance with the simplified approach, the Group measures the loss provisions related to trade receivables as equal to the "lifetime expected credit losses". In this context, the loss is weighted according to the probability of occurrence and the evaluation is made according to how economic factors affect the expected credit loss. The provision is reviewed periodically. The provision expense calculated for trade and other receivables is calculated over the percentages determined for the aging group in which the receivable is included and which increase as the receivables age.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially at fair value. Transaction costs directly attributable to the relevant financial liability are also added to fair value.

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses along with effective interest rate amortization are recognized in the statement of profit and loss when liabilities are derecognised.

Amortized cost is calculated taking into account any discounts or premiums on the purchase and any fees or costs that are an integral part of the effective interest rate.

Derecognition

Financial liabilities are derecognized from the balance sheet when the contractual obligation is fulfilled, canceled or expired. When the terms of a financial liability are renegotiated or transferred to another party, the difference between the carrying value of the financial liability and the amount paid, including the transferred non-cash assets and liabilities, is recognized in the income statement as profit or loss.

Financial liabilities at fair value through profit or loss

The Group classifies the related financial liabilities at initial recognition as measured at fair value through profit or loss in order to eliminate or significantly reduce the accounting mismatch that may arise from the classification of financial assets within groups of jointly managed financial assets and liabilities as measured at fair value through profit or loss, in accordance with TFRS 9.

Financial liabilities measured at fair value through profit or loss are initially recognized at fair value and remeasured to fair value at each reporting date. For issued debt instruments measured (designated) at fair value through profit or loss, the portion of the change in fair value attributable to changes in the liability's own credit risk is recognized in other comprehensive income, while the remaining portion is recognized in profit or loss.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Derivative Financial Instruments and Hedge Accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

(a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host,
(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative,
(c) a hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss (i.e., a derivative that is embedded in a financial liability at fair value through profit or loss is not separated).

Derivative transactions of the Group consist of foreign currency and interest rate swaps, cross currency swaps, options and forwards. Derivatives that the Group uses to avoid economical risks are accounted for as trading under TFRS 9. Derivative transactions are measured at their fair values under "derivative financial instruments. Fair value changes of derivative instruments are recognized under finance income and expense. Fair values of derivatives are calculated using discounted cash flow model or market value.

The Group applies hedge accounting in order to reflect the effect of risk management activities carried out using appropriate financial instruments to manage certain risks in the financial statements. There are three types of hedging relationships:

(a) Fair value hedge,
(b) Cash flow hedge,
(c) Net investment hedge.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non- derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At the inception of designated hedging relationships, the Group defines and documents the hedge objective and strategy. This documentation includes the identification of the hedging instrument, the hedged item, and the hedged risk, as well as assessments of whether the hedge relationship is expected to provide an effective hedge against the hedged risk (including analysis of sources of hedge ineffectiveness and the method used to determine the hedge ratio). The Group also documents the existence of an economic relationship between the hedged item and the hedging instrument and whether cash flow changes are expected to offset each other.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

The Group assesses, at each reporting period, whether the hedging relationship continues to meet the effectiveness requirements prescribed under IFRS 9. This assessment considers whether an economic relationship exists between the hedged item and the hedging instrument, the effect of credit risk on the hedge relationship, and the consistency of the actual hedge ratio with the Group's risk management practices.

Hedge effectiveness is assessed on a forward-looking basis, utilizing qualitative and/or quantitative analysis methods depending on the nature of the hedging relationship. Hedge ineffectiveness, if any, is recognized in profit or loss for the period in which it arises. The Group regularly monitors the hedging relationship and discontinues hedge accounting prospectively when the qualifying criteria under TFRS 9 are no longer met or when the hedging relationship is terminated.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of hedged asset or liability attributable to the hedged risk is recorded as part of the carrying value of the hedged asset or liability during the effective hedging relationship. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised using a recalculated effective interest rate.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group enters into structured cross-currency swaps to hedge the cash flow risk of its foreign currency–denominated variable- and fixed-rate financial instruments. Under cash flow hedge accounting, the effective portion of changes in the fair value of the hedging instrument is recognized in equity within "accumulated other comprehensive income (to be reclassified to profit or loss)" under the captions "hedging gains (losses) and changes in the time value of options," while the ineffective portion is recognized in profit or loss. When the cash flows of the hedged item affect profit or loss, the related gain or loss on the hedging instrument is reclassified from equity to the statement of profit or loss. In addition, changes in the time value of options contained within the structured cross-currency swaps are recorded in other comprehensive income as a cost of hedging.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non- financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Due to the nature of its sector and activities, the Group may be affected by financial risks related to changes in exchange rates and interest rates. The major source of interest rate risk is finance lease liabilities and borrowings. The Group's policy is to convert some financial liabilities with fixed interest rates into financial liabilities with floating interest rates, and some financial liabilities denominated foreign currencies into financial liabilities denominated in functional currencies. The derivative financial instruments obtained for this purpose are not subject to hedge accounting and profit/loss arising from the changes in the fair values of those instruments is directly accounted in profit or loss. The Group converted some of the floating-rate loans into fixed-rate loans through derivative financial instruments.

The Group applies hedge accounting to these transactions, as they are designated to hedge against cash flow risks arising from fluctuations in interest rates. The Group also enters into derivative financial instruments to hedge against jet fuel price risks. The Group applies hedge accounting to these transactions, as they are designated to hedge against cash flow risks arising from fluctuations in jet fuel prices. Financial liabilities for investment financing are designated as cash flow hedge against exchange rate risk due to highly probable future same foreign currency revenues.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognized in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognized immediately in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Goodwill and business combinations

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and the identifiable liabilities assumed. Following reassessment, if the net of the acquisition-date amounts of the identifiable assets acquired and the identifiable liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest and, if applicable, the acquisition-date fair value of any previously held interest, the difference is recognized immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss or retained earnings where such treatment would be appropriate if that interest were disposed of.

Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized; instead, it is tested for impairment annually (as of December 31) or more frequently when circumstances indicate impairment. Impairment losses recognized for goodwill are not reversed in subsequent periods, even if the impairment no longer exists. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the cash-generating units expected to benefit from the combination, irrespective of whether other assets or liabilities are assigned to those units.

For impairment testing, goodwill is allocated to the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination. Each CGU to which goodwill has been allocated is tested annually for impairment, and more frequently if indicators of impairment exist. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is recognized first to reduce the carrying amount of the goodwill allocated to the unit, and then to reduce the carrying amounts of the other assets within the unit. Impairment losses on goodwill are recognized directly in profit or loss and are not reversed in subsequent periods. Upon disposal of the related CGU, the amount of goodwill allocated to that unit is included in the determination of the gain or loss on disposal.

If goodwill has been allocated to a cash-generating unit and part of an operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. In such cases, the goodwill disposed of is measured by reference to the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred is generally measured at fair value, as are the identifiable net assets acquired; any resulting goodwill is tested annually for impairment. Gains arising from bargain purchases are recognized immediately in profit or loss. Acquisition-related costs are generally expensed as incurred, except where they relate to the issuance of debt or equity instruments.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

The consideration transferred excludes amounts relating to the settlement of pre-existing arrangements, which are recognized in profit or loss.

Any contingent consideration is measured at its acquisition-date fair value. If an obligation to make a contingent payment meets the definition of a financial instrument and is classified as equity, it is not remeasured and is accounted for within equity. Otherwise, contingent consideration is remeasured at fair value at each reporting date, and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Investment property

Investment properties, which are properties, held to earn rentals and/or for capital appreciation are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise and included in other income from investing activities.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Provisions, contingent liabilities and assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in consolidated financial statements and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Fixed asset dismantling, transportation, restoration liability

The Group is required to incur certain costs in respect of a liability to dismantle and remove assets and to restore sites on which the assets were located. The dismantling costs are calculated according to best estimate of future expected payments discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provision for rehabilitation

The Group recognizes the present value of the estimated costs for legal and constructive obligations to restore operating sites at the period in which the obligation arises. These restoration activities include dismantling and removing structures, rehabilitating mines and waste dams, decommissioning operational facilities, closing and restoring factories and waste areas, as well as the remediation and reforestation of affected sites. The obligation typically arises when the asset is installed or when the site/environment within the production area is adversely impacted. Upon initial recognition of the liability, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets up to the amount corresponding to the development/construction of the mine. Over time, the discounted liability is increased to reflect changes in the present value based on discount rates that reflect current market assessments and risks specific to the liability. The periodic fluctuations in discounting are recognized as a finance cost in the consolidated profit or loss statement. Additional impairments or changes in rehabilitation costs are reflected in the related asset and rehabilitation liability as acquisitions or expenses when incurred

Insurance technical reserves

Reserve for outstanding claims

Outstanding claims reserve represents the outstanding claim amounts stated and the sum of related transaction costs at the date of reporting. Insurance companies allocate outstanding claims reserves for claims amounts accrued and determined by approximation, yet actually unpaid during previous or current accounting period, or if the amount is not calculated, for claims amounts realised as estimated yet unreported. During calculation of outstanding claims reserve accrued and determined by approximation, all expenses required to mature the claims files including calculated or estimated expert, consultant, lawsuit and correspondence expenses are considered, and recourse, proceeds and similar income items cannot be discounted in the relevant calculations. Incurred but not reported (IBNR) claims provision is calculated as follows:

For both expected final cost for outstanding claims reported on the reporting date and the expected final cost for INBR claims, the main method of the management to estimate IBNR claims costs is using past claims payment trends to estimate future claims payment trends. On each reporting date, previous year's claims estimations are reevaluated in terms of adequacy and the reserve is revised. In addition, the Group reevaluates the claims reserve reported on each reporting date based on each claims file. The outstanding claims reserve is shown in the consolidated financial statements by netting the recoverable amounts from reinsurers under insurance contract liabilities.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Mathematical provisions

Long-term insurance contracts: Long-term insurance contracts are terms applicable to beneficiaries of long-term life, health and personal accident policies based on actuarial assumptions for the Group's liabilities.

Mathematical provisions show the sum of actuarial mathematical provisions, calculated separately based on the technical principles of the tariff for each contract in power, and profit sharing provisions. The life insurance mathematical provisions of the Group consist of the actuarial mathematical provisions calculated for long-term loan life insurances. Actuarial mathematical provisions are the difference between risk premiums the Group received for risks incurred and the advance value of payables to insurants and beneficiaries.

Long-term insurance contracts Premiums allocated as provisions to the risk in scope of liabilities to policy owners for long-term insurance contracts based on the actuarial death assumption applicable to the Group and all Turkish insurance companies confirmed by the Treasury are calculated as the difference between the current net value.

Deferred acquisition costs and deferred commission income: Commissions changing related to securing new contracts with agents and renewal of existing insurance contracts and other acquisition costs are capitalised as deferred acquisition costs. Deferred acquisition costs are amortised by straight-line method throughout contact period. Deferred acquisition costs are shown under other receivables in consolidated financial statements.

Commission income acquired in return for the premiums given to reinsurance companies are also deferred and amortised with the straight-line method throughout contract duration.

Liability adequacy test:

On every reporting date, existing estimations related to future cash flows are used to evaluate whether the long-term provisions allocated are sufficient. To ensure recognition of losses, liability adequacy test is necessary.

Definite duration and long-term insurance contracts are measured based on the assumptions made at the beginning of the contract. Liability adequacy test is used when the best new estimation assumptions should be adopted, and these assumptions are used for later measurements of these liabilities (without reverse deviation margins).

a) The test includes current estimations for cash flow based on the contract, for cash flow such as claims adjustment expenses and cash flows arising out of warranties, and
b) If liability adequacy test shows that the liability is inadequate, the relevant total deficiency is recognised under profit or loss.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

If the test shows that a loss should be recognised, the first step is reducing intangible items arising out of business combinations related to insurance. If there is still loss remaining, the deferred acquisition cost is reduced to the extent where the expense burden is accepted as irrecoverable. Lastly, if there is a remaining amount, it should be reserved in addition to premium deficiency reserve.

Insurance companies are subject to the provisions of TFRS 4 "Insurance Contracts" standard as of 1 January 2005. TFRS 4 expresses the first phase of the project related to recognition of insurance agreements and is used as a transitionary standard to be utilised in the period until and the establishment of a comprehensive standard for recognition and measurement of insurance agreements. TFRS 4 stipulates that all contracts prepared by insurance companies should be categorised as an insurance contract or an investment contract.

The insurance companies affiliated with the Group are transferring their premiums and risks to decrease loss arising out of risks estimated. Insurance premiums transferred to reinsurers related to contracts transferring significant insurance risks are recognised throughout the policy duration as an expense in line with the accrual of insurance premium income arising out of risks secured against.

Variable costs directly related to insurance and reinsurance contracts such as agency and commission expenses as well as other acquisition costs are amortised in line with the recognition of premium income throughout the duration of the contract.

Income acquired from private pension plans: Income arising out of asset management and other services provided by in scope of personal retirement services by private pension companies are recognised during the accounting period when the service is provided.The fees consist of investment fees arising out of services provided alongside of regulation and management of investment contracts that actively manages the evaluation obtained by the Group from the client and financing the return based on the investment profile the client chose during generating the instrument.

Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale when it is expected that their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and the sale is considered highly probable. The Group measures a non-current asset classified as held for sale at the lower of its carrying amount and its fair value less costs to sell.

An impairment loss shall be recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. An entity shall recognise a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognised.

A gain or loss not previously recognised by the date of the sale of a non-current asset (or disposal group) shall be recognised at the date of derecognition.

A non-current asset classified as held for sale and the assets of a disposal group classified as held for sale shall be presented separately from other assets in the statement of financial position.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Discontinued operations are part of a group which either are classified as held-for-sale or have been disposed of and whose activities and cash flow can be treated separable from the Group's whole activities and cash flows Discontinued operations; represent separate business or geographical segment, are parts of the plans to sell or dispose thereof, or is a subsidiary acquired for selling. The Group's discontinued operations have been valued with the lower of the book values of related asset and liabilities of the discontinued operations, or fair value less costs to sell. Results of discontinued operations are presented separately in the statement of profit and loss and cash flow statement.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate- entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Tax exemption

The Fund is exempt from corporate tax in accordance with "The Law No. 6741 on Establishment of Türkiye Varlık Yönetimi A.Ş. and Amendments in Certain Laws" dated 19 August 2016. According to this law, the companies and sub-funds to be established by the Fund and the companies to be established by these companies and these sub-funds are exempt from income and corporate tax. This exemption also covers the tax withholdings to be made on their incomes and revenues as per the Income Tax Law dated 31 December 1960 and numbered 193, and Corporate Tax Law dated 13 June 2006 and numbered 5520.

The Fund and the companies and sub-funds to be established by the Fund and the companies to be established by these sub-funds and companies are exempt from taxes, fees, participation shares and certification fees levied pursuant to the Municipal Revenues Law dated May 26, 1981 and numbered 2464, except for electricity and gas consumption tax and fire insurance tax, real estate tax for the immovable properties it owns, land registry and cadastre revolving fund fees in relation to the immovable properties purchased and sold, and obligations to deposit collateral in all kinds of lawsuits and enforcement proceedings.

All documents drawn up regarding the transactions executed within the scope of the activities, including incorporation and registration transactions as well as the registration and publication transactions of articles of association, of Fund and the companies and sub-funds to be established by the Fund and the companies to be established by these companies and these sub-funds are exempt from stamp tax, all of their actions and transactions are exempt from all kinds of fees, the amounts regardless of the name under which they paid in cash or on account to the taxpayers of banking and insurance transaction tax and the monies regardless of the name under which they are received in cash or on account to their benefit are exempt from the banking and insurance transaction tax, all loan utilization transactions are exception to the resource utilization support fund.

The Fund and the companies and sub-funds to be established by the Fund and the companies to be established by these companies and these sub-funds are not subject to the legislations, implementations and restrictions applicable to the public institutions, entities and partnerships, more than half of the share capital of which are State-owned or which are established pursuant to special laws, including state economic enterprises.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Tax applications of countries in which the foreign branches of financial institutions operate

Tax rates used by the Group and its subsidiaries in tax calculation considering the related countries' tax legislation as of 31 December 2025 and 2024 are presented below:

	Tax Rates	
Countries	**31 December 2025**	**31 December 2024**
Russia	25.00%	20.00%
Kazakhstan	20.00%	20.00%
Germany	15.00%	15.00%
Afghanistan	20.00%	20.00%
Bosnia and Herzegovina	10.00%	10.00%
Serbia	15.00%	15.00%
Macedonia	10.00%	10.00%
Tunisia	20.00%	15.00%
Austria	23.00%	23.00%
Luxembourg	23.87%	24.94%
Azerbaijan	20.00%	20.00%
Finland	20.00%	20.00%
Montenegro	15.00%	15.00%
Georgia	15.00%	15.00%
Uzbekistan	20.00%	20.00%
Iraq	35.00%	35.00%
Monaco	25.00%	25.00%
America	21.00%	21.00%
China	25.00%	25.00%
Turkish Republic of Northern Cyprus (TPNC)	10.00%	10.00%
Holland	25.80%	25.80%
Ukraine	18.00%	18.00%
Belarusian	20.00%	20.00%
Bahrain	0.00%	0.00%

Deferred tax

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period are recognized as expense or income in the statement of profit or loss, excluding those associated with receivables or payables accounted directly in equity or arising from the initial recognition of business combinations. In business combinations, tax effects are taken into account when calculating goodwill or determining the portion of the purchaser's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary exceeding the acquisition cost.

Provisions for employee benefits

Provision for employment termination benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections. TAS 19, 'Employee Benefits' requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/losses and recognised under other comprehensive income.

Unused vacation liabilities

Liabilities arising from unused vacations of the employees are accrued in the period when the unused vacations are qualified. The Group recognizes a liability for unused vacation days based on salaries of employees at the end of each reporting period.

Share based payments

The Group companies have cash (paid in cash) and share based benefit plans for the services received from its employees. The liability amount subject to the corresponding share based payments to be paid in cash is accounted for the fair value of the consideration. The corresponding consideration on each reporting period and on due date is measured for its fair value and changes in fair value is accounted under profit and loss. The share based payments paid in cash are subject to fulfillment of specific earning conditions.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Defined contribution plans

T.C Ziraat Bankası and T. Halkbank Employee Pension Fund Foundations were founded in accordance with the provisional article 20 of the Social Security Law numbered 506 ('Law'). Provisional article 23 of the Banking Act No: 5411 requires the Bank's pension funds founded in the scope of Law to be transferred to the Social Security Foundation ('SSF') within 3 years subsequent to the publishing date of the act. The procedure and essentials for the transfer were determined by the Council of Ministers' decision dated 30 November 2006 and numbered 2006/11345. However, with the decree of the Constitutional Court numbered E.2005/139, K.2007/13 and K.2007/33 published in the Official Gazette dated 31 March 2007 and numbered 26479, the first paragraph of the temporary first article of the provisional article 23 of the Banking Act No: 5411 is cancelled and the execution has been ceased starting from the date the decree is published.

With the publication of the reasoning of the decision, the Grand National Assembly of Türkiye ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

According to the new law bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

In accordance with the New Law and based on the technical balance sheet reports prepared using the specified technical interest rate of 9.80%, it has been reported that no technical deficit has arisen for the pension fund as at 31 December 2025. In the calculation of the fund, the amendments to the legislation that had entered into force as at the reporting date were taken into consideration. In this regard, the amendments regarding the increase of the ceiling for earnings subject to premium from 7.5 times to 9 times the minimum wage, and the increase of the employer's premium rate for disability, old age and death insurance within the scope of retirement from 11% to 12%, were published in the Official Gazette dated 19 December 2025 and will enter into force as of 1 January 2026. As these amendments had been enacted into law as at the reporting date, they have been included in the actuarial calculations.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Since the Group has no legal right to obtain the present value of the economic benefits arising from the pension fund in the form of reimbursements or decreases in future contributions, there is no asset recognised in the balance sheet.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years.

Based on the Council of Ministers' decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Bank and Insurance Funds to Social Security Institution; "Council of Ministers is the authority to determine the date of transfer of banks, insurance and reassurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

In accordance with the new Law, the fund participants and those who have been granted pension and/or income, and after the transfer of their right holders to the Social Security Institution, other social rights and payments that are not met despite the fact that these people are subject to the foundation deed they are subject to, will continue to be covered by the funds and the organizations employing the fund participants.

If a technical deficit is detected in the report prepared by a registered actuary, taking into account the rates determined in the New Law, a provision is accounted for the technical deficit in accordance with "TAS 19 - Employee Benefits" standard. Accordingly, service and interest costs incurred in the change of provision for the pension fund are recognised in the income statement and actuarial gains and losses are recognised under equity (Note 25).

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Foreign currency transactions

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- An investment in equity securities designated as at FVOCI,
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and
- Qualifying cash flow hedges to the extent that the hedges are effective.

Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the reporting entity and in the financial statements of the foreign operation itself. In financial statements that include both the foreign operation and the reporting entity (for example, consolidated financial statements if the foreign operation is a subsidiary), such exchange differences are recognized initially as a separate component of other comprehensive income and are recognized in profit or loss on disposal of the net investment.

Foreign operations

The assets and liabilities of the foreign operations including goodwill and arrangements of fair value from acquisitions are converted into Turkish Lira from the exchange rate as of the reporting date. Income and expenses from foreign operations are converted into Turkish Lira as of the date of transaction.

The foreign currency differences are accounted under other comprehensive income and accumulated unless minority shares are allocated.

Events after the reporting period

Events after the reporting period include all events that take place between the balance sheet date and the date when the financial statements were authorised for issue although the events occurred after the announcements related to the net profit/loss or even after the public disclosure of other selective financial information.

Non-adjusting events that occur after the balance sheet date are disclosed in the notes to the consolidated financial statements if they affect the economic decisions of users of the financial statements.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of significant accounting policies (Continued)

Earnings Per Share

Amounts recognized as capital in equity consist of the fair values of the companies, investment properties and national lottery and games of chance licenses transferred to the fund as of the date of transfer to the Group as provided by impartial and independent valuation companies and are recognized as government contributions under equity. Accordingly, the resource representing the capital consists of the values qualified as government contribution and this resource is not attached to share certificates due to the legal structure. Therefore, earnings per share disclosure is not included in the Group's consolidated financial statements.

2.10 Going Concern

The consolidated financial statements of the Group are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities in the normal course of operations during the incoming year.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 3 - ASSETS AND LIABILITIES HELD FOR SALE

a) Discontinued Operations

Pursuant to the resolution of Turkcell's Board of Directors dated 20 December 2023, a share transfer agreement was signed on 29 December 2023 for the transfer of all shares, together with all related rights and liabilities, of Lifecell LLC, LLC Global Bilgi and LLC Ukr Tower Kule, wholly-owned subsidiaries of Turkcell operating in Ukraine. The Group collected its receivables related to the share purchase agreement as of 9 September 2024. Other receivables related to the acquisition, accrued at a nominal amount of TRY 677 as of 9 September 2024, were finalized and collected at a nominal amount of TRY 490 upon completion of the transaction on 4 August 2025, and the resulting difference of TRY 187 (nominal) was reported under discontinued operations in the current period.

The details of profit or loss of the related discontinued operation are presented below.

	1 January- 9 September 2024
Revenue (net)	7,397
Cost of Sales (-)	(2,729)
GROSS PROFIT	**4,668**
General and Administrative Expenses (-)	(272)
Sales, Marketing and Distribution Expenses (-)	(428)
Other Income/(Expense) From Operating Activities, net	392
OPERATING PROFIT	**4,360**
Income/(Expense) from Investment Activities, net	32
PROFIT BEFORE FINANCE INCOME/(EXPENSE)	**4,392**
Financial Income/(Expense), net	(464)
PROFIT BEFORE TAX	**3,928**
Current Tax Expense (-)	(320)
PROFIT FOR THE YEAR FROM DISCONTINUING OPERATIONS	**3,608**
Gain on disposal of subsidiaries	11,057
TOTAL	**14,665**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 3 - ASSETS AND LIABILITIES HELD FOR SALE (Continued)

The net cash flow statements related to discontinued operations are as follows:

	1 January- 9 September 2024
Cash flows from operating activities	2,896
Cash flows from investing activities	412
Cash flows from financing activities	(3,537)
Total	**(229)**

b) Assets and Liabilities Classified Held for Sale

Non-current assets as held for sale	31 December 2025	31 December 2024
Cost	30,470	11,686
Total	**30,470**	**11,686**

Movement of the non-current assets held for sale is as follows:

Movement of the non-current assets held for sale	1 January 31 December 2025	1 January 31 December 2024
1 January	11,686	10,383
Transfers	-	(39)
Acquired	22,267	4,985
Disposals	(3,483)	(3,643)
Total	**30,470**	**11,686**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 4 - SEGMENTED REPORT

The Group's chief operating decision maker (CODM) is the Board of Directors. The Board monitors the portfolio companies under five principal operating segments to assess the Group's financial performance and make strategic decisions.

The accounting policies adopted by each reportable segment are consistent with the accounting policies used in the preparation of the Group's consolidated financial statements.

Detailed information regarding the Group's reportable segments is presented below.

	Consolidated Assets		Consolidated Revenue		Consolidated Net Profit/Loss	
Asset Class	**31 December 2025**	**31 December 2024**	**31 December 2025**	**31 December 2024**	**31 December 2025**	**31 December 2024**
Portfolio Companies	18,659,306	12,453,554	5,500,999	3,849,502	306,664	315,878
Licences	10,994	11,267	244,637	133,054	23,535	14,870
Real Estates	172,066	133,279	369	125	36,201	37,857
Sub-funds	154,880	115,628	18,080	8,868	5,146	2,790
Total	**18,997,246**	**12,713,728**	**5,764,085**	**3,991,549**	**371,546**	**371,395**

	Consolidated Assets		Consolidated Revenue		Consolidated Net Profit/Loss	
Sector	**31 December 2025**	**31 December 2024**	**31 December 2025**	**31 December 2024**	**31 December 2025**	**31 December 2024**
Financial Services	14,061,126	9,162,187	2,856,482	1,957,093	74,682	62,148
Energy and Mining	1,787,695	1,375,509	1,127,379	773,702	43,438	130,949
Transportation and Logistics	2,023,736	1,372,258	1,002,442	779,649	120,503	75,209
Technology and Telecom	670,139	467,283	453,331	298,412	78,481	55,633
Agriculture and Food	116,610	76,317	61,365	40,646	(10,440)	(8,061)
Licences	10,994	11,267	244,637	133,054	23,535	14,870
Real Estates	172,066	133,279	369	125	36,201	37,857
Sub-funds	154,880	115,628	18,080	8,868	5,146	2,790
Total	**18,997,246**	**12,713,728**	**5,764,085**	**3,991,549**	**371,546**	**371,395**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 5 - GOVERNMENT CONTRIBUTION

The details of the government contribution as of 31 December 2025 and 2024 are as follows:

	1 January 2025	Additions(*)	Disposals(**)	31 December 2025
Investment properties	1,870	-	-	1,870
Intangible assets	13,344	-	-	13,344
Entities	327,827	22,600	(20,854)	329,573
Total	**343,041**	**22,600**	**(20,854)**	**344,787**

	1 January 2024	Additions(*)	Disposals(**)	31 December 2024
Investment properties	1,870	-	-	1,870
Intangible assets	13,344	-	-	13,344
Entities	296,560	41,599	(10,332)	327,827
Total	**311,774**	**41,599**	**(10,332)**	**343,041**

(*) The additions in 2025 result from capital increases in Group companies funded by the Treasury. The additions in 2024 consist of capital increases in Group companies funded by the Treasury and companies transferred to the Fund in 2024, as disclosed in Note 1.

(**) The balance consists of dividends paid by Eti Maden to the Treasury in 2024 and 2025.

NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Cash	**90,630**	**64,161**
- Banking	89,942	63,554
- Other companies	688	607
Cash at banks	**1,580,861**	**1,153,813**
- Time deposits	317,945	297,277
- CBRT demand deposits	765,459	693,932
- Demand deposits	497,457	162,604
Receivables from money markets	282,731	30,659
Other cash and cash equivalents	91,956	29,034
Total	**2,046,178**	**1,277,667**
Blocked Deposits	(5,825)	(14,582)
Total	**2,040,353**	**1,263,085**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 6 - CASH AND CASH EQUIVALENTS (Continued)

As of 31 December 2025, effective interest rates of USD, EUR and TRY denominated time deposits are 0.50%-6% (31 December 2024: 1%-5.90%), 0.20%-5% (31 December 2024: 0.50%-6.25%), and 21.20%-45.76% (31 December 2024: 20.90%-57% respectively).

As of December 31, 2025, there are blocked deposits amounting to TRY 2,866 in favor of the Insurance and Private Pension Regulation and Supervision Agency, Tarsim, and the Central Bank of the TRNC (Turkish Republic of Northern Cyprus). Additionally, TRY1,958 of the blocked deposits consists of the blocked amount held under a protocol signed with banks, subject to the release of subscriber collections at the end of a specified day. There are blocked deposits amounting to TRY 832 and EUR 3 in favor of other institutions (December 31, 2024: TRY 10,955, and TRY 2,954, USD 17, and EUR 2 in favor of other institutions).

The maturity analysis of time deposits as of 31 December 2025 and 2024 is as follows:

	31 December 2025	31 December 2024
Up to 1 month	263,109	242,880
Up to 3 months	54,836	54,397
Total	**317,945**	**297,277**

The Group holds required reserves at T.C. Central Bank amounting to TRY 1,285,133 (31 December 2024: TRY 785,097). The required reserve ratio changes through maturity composition and is applied between 3%-18% (2024: 3%-17%) for TRY deposits and liabilities, between 5%-32% (2024: 4%-30%) for foreign currency deposits and liabilities and is applied between 22%-40% for exchange rate/price protection support accounts (2024: 22%-33%). An additional mandatory reserve requirement of 2.5% in Turkish Lira terms is applied to foreign currency deposits/participation funds (excluding foreign currency deposits/participation funds held with banks abroad and precious metal deposit accounts). Required reserves are presented on a separate line, as Central Bank of Turkish Republic Reserves on the financial statement.

NOTE 7 - FINANCIAL ASSETS

	31 December 2025		31 December 2024	
	Current	Non-current	Current	Non-current
Financial assets at fair value through profit or loss	474,493	61,101	158,058	143,038
Financial assets at fair value through other comprehensive income	662,862	1,414,113	343,318	830,338
Financial assets at amortized cost	197,071	1,051,072	137,714	790,937
Time deposits	37,237	1,587	30,196	739
Total	**1,371,663**	**2,527,873**	**669,286**	**1,765,052**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 7 - FINANCIAL ASSETS (Continued)

a) Financial assets at fair value through profit or loss

The detail of financial assets at fair value through profit and loss is as follows:

	31 December 2025	31 December 2024
Government bonds (*)	321,580	133,981
Investment funds	89,467	67,880
Private sector bonds, bills	40,196	41,668
Lease certificates	31,064	10,155
Equity securities	548	840
Currency protected time deposit	-	42,093
Other financial assets	52,739	4,479
Total	**535,594**	**301,096**

(*) Financial assets at fair value through profit or loss include receivables from the securities market amounting to TRY 64,755, and the related liability of TRY 63,288 has been accounted for under "payables to the securities market" within other current liabilities (Note 16).

Effective interest rates of USD, EUR, GBP and TRY denominated securities at fair value through profit and loss are as follows:

	31 December 2025	31 December 2024
USD	5.94%	6.19%
EUR	3.86%	5.10%
GBP	4.47%	-
TRY	40.61%	53.14%

As of 31 December 2025, for the calculation of the fair value of EUR financial assets of TVF PDIF accounted through profit and loss 7.51%-4.33% has been used (2024: 7.25%-5.65%).

As of 31 December 2025, the Group has TRY 43,759 repurchase agreements due to the purchase and sale of financial assets and financial assets through profit and loss given for guarantee amounting to TRY 302,161 (TRY 15,416 subject to repurchase agreements and TRY 127,404 given for guarantee).

Maturity analysis of financial assets at fair value through profit or loss according to contractual maturities as of 31 December 2025 and 2024 are as follows:

31 December 2025	Finance sector	Other companies	Total
0-3 months	221,903	217	222,120
3-12 months	121,758	1,106	122,864
1-5 years	51,438	300	51,738
More than 5 years	446	1,409	1,855
Demand deposits	96,678	40,339	137,017
Total	**492,223**	**43,371**	**535,594**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 7 - FINANCIAL ASSETS (Continued)

31 December 2024	Finance sector	Other companies	Total
0-3 months	19,355	39,795	59,150
3-12 months	25,228	10,988	36,216
1-5 years	130,818	1,070	131,888
More than 5 years	4,898	224	5,122
Demand deposits	53,058	15,662	68,720
Total	**233,357**	**67,739**	**301,096**

b) Financial assets at fair value through other comprehensive income

	31 December 2025	31 December 2024
Debt Securities		
- Government bonds	1,264,651	762,185
- Eurobonds	682,365	361,939
- Lease certificates	86,732	34,785
- Other	35,608	7,692
Sub-total	**2,069,356**	**1,166,601**
Equity securities		
- Unlisted	5,973	5,442
- Listed	1,646	1,613
Sub-total	**7,619**	**7,055**
Total	**2,076,975**	**1,173,656**

The Group has financial assets amounting to TRY 520,246 subject to repurchase agreements due to financial asset purchases and sales, and TRY 519,909 given as collateral which is financial assets at fair value through other comprehensive income (2024: TRY 218,676 subject to repurchase agreements and TRY 403,558 given as collateral).

The movements of the financial assets measured at fair value through other comprehensive income for 2025 and 2024 are shown below :

	2025	2024
1 January	1,173,656	769,596
Additions	1,279,798	748,942
Disposals / amortisation	(578,528)	(413,386)
Foreign exchange gain/(loss)	108,520	79,628
Change in interest accruals	53,690	26,833
Increase / decrease in fair value (net)	39,839	(37,957)
31 December	**2,076,975**	**1,173,656**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 7 - FINANCIAL ASSETS (Continued)

Maturity analysis of financial assets at fair value through other comprehensive income according to contractual maturities as of 31 December 2025 and 2024 are as follows:

31 December 2025	Finance sector	Other companies	Total
0-3 months	121,251	46,114	167,365
3-12 months	376,166	118,874	495,040
1-5 years	808,728	55,936	864,664
More than 5 years	461,864	80,423	542,287
Demand deposits	4,594	3,025	7,619
Total	**1,772,603**	**304,372**	**2,076,975**

31 December 2024	Finance sector	Other companies	Total
0-3 months	48,409	1,938	50,347
3-12 months	259,081	29,880	288,961
1-5 years	509,718	31,514	541,232
More than 5 years	268,331	17,730	286,061
Demand deposits	4,020	3,035	7,055
Total	**1,089,559**	**84,097**	**1,173,656**

c) Financial assets measured at amortized cost

	31 December 2025	31 December 2024
Government bonds	1,094,576	829,376
Eurobonds	112,561	82,226
Other	41,006	17,049
Total	**1,248,143**	**928,651**

	2025	2024
1 January	**928,651**	**776,691**
Purchases/transfers (*)	362,910	316,386
Disposals through sales and redemptions	(67,944)	(206,326)
Foreign exchange gain/(loss)	24,544	42,047
Allowance for impairment	(18)	(147)
31 December	**1,248,143**	**928,651**

(*) Interest income accrual differences amounting to TRY 134,262 for the year 2025 have been included in purchases (2024: TRY 81,877).

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 7 - FINANCIAL ASSETS (Continued)

As of December 31, 2025 and 2024, the remaining contractual maturity dates for financial investments measured at amortized cost for finance and other sectors are as follows:

31 December 2025	Finance sector	Other companies	Total
0-3 months	98,934	5,997	104,931
3-12 months	86,708	5,432	92,140
1-5 years	631,960	5,040	637,000
More than 5 years	413,808	-	413,808
Demand deposits	-	264	264
Total	**1,231,410**	**16,733**	**1,248,143**

31 December 2024	Finance sector	Other companies	Total
0-3 months	71,555	912	72,467
3-12 months	58,853	6,394	65,247
1-5 years	366,086	3,780	369,866
More than 5 years	420,853	-	420,853
Demand deposits	-	218	218
Total	**917,347**	**11,304**	**928,651**

d) Time Deposits

	31 December 2025	31 December 2024
Time deposits longer than three months	38,824	30,935
Total	**38,824**	**30,935**

NOTE 8 - RELATED PARTY DISCLOSURES

a) Benefits provided to key management

Benefits provided to key management includes benefits, wages, bonuses, social security, health insurance, paid leave, appreciation bonus and incentive premiums to key management such as general manager and assistant general managers.

The schedule of benefits provided to key management for the years ended 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Short-term key management personnel compensation	123	70
Total	**123**	**70**

b) Related party balances

The table below summarizes the amounts of receivables from related parties and payables to related parties arising from transactions with related parties as of and for the years ending 31 December 2025 and 2024.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 8 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2025										
	Receivables				Payables						
Related Party Balances	Short term		Long term		Short term						
	Trade	Other	Trade	Other	Trade	Other	Cash and Cash Equivalents	Financial Investments	Receivables from Finance Sector Operations	Payables From Finance Sector Operations	Financial Liabilities
Eti Soda	-	1,109	-	-	15	11	-	-	-	-	-
Goodrich	10	-	-	-	132	-	-	-	-	-	-
Sun Express	612	-	-	-	98	-	-	-	-	-	-
P&W T.T	41	-	-	-	1,811	-	-	-	-	-	-
TANAP (*)	2	3,151	-	-	2,069	2	-	-	-	-	-
TGS	737	-	-	-	3,296	-	-	-	-	-	-
Turkish DO&CO	1	-	-	-	2,180	-	-	-	-	-	-
THY OPET	-	-	-	-	595	-	-	-	-	-	-
Treasury (**)	227	84,848	-	-	23	598	-	-	-	-	696,031
TFS Akaryakıt Hizmetleri A.Ş.	4	-	-	-	4,966	-	-	-	-	-	-
PTTEM A.Ş.	150	-	-	-	629	-	-	-	-	-	-
Enerji Piyasaları İşletme A.Ş.	91	94	-	-	211	3	-	-	-	-	-
Air Albania	-	-	-	2,289	-	26	-	-	-	-	-
Vakıfbank	118	-	-	-	-	72	54,525	152,549	3,298	5,987	132,973
Vakıf Gayrimenkul Değerleme	-	-	-	-	-	-	11	-	-	-	-
Vakıf Finansal Kiralama	-	-	-	-	-	-	-	-	-	-	-
Vakıf Gayrimenkul Yatırım Ortaklığı	54	-	-	-	-	-	-	-	-	-	-
Other	36	2	-	2	875	59	-	-	-	-	-
Total	**2,083**	**89,204**	**-**	**2,291**	**16,900**	**771**	**54,536**	**152,549**	**3,298**	**5,987**	**829,004**

(*) Consists of dividend receivables. Payables consist of natural gas transmission services received.

(**) Pursuant to the Decree Law No. 233 on Government Prices Enterprises, it is determined that the sales prices of goods and services are below the required sales prices, and the commissioning fee is covered by the Treasury. The amount of TRY 84,848 included in other short-term receivables is the receivables related to the commissioning fee made for BOTAŞ.

The details of the long term financial liabilities to the Treasury amounting to TRY 696,031 are explained in Note 23.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 8 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2024										
	Receivables				Payables						
Related Party Balances	Short term		Long term		Short term						
	Trade	Other	Trade	Other	Trade	Other	Cash and Cash Equivalents	Financial Investments	Receivables from Finance Sector Operations	Payables from Finance Sector Operations	Financial Liabilities
Eti Soda	-	955	-	-	13	8	-	-	-	-	-
Goodrich	-	-	-	-	42	-	-	-	-	-	-
Sun Express	162	-	-	-	-	-	-	-	-	-	-
P&W T.T	-	247	-	-	406	-	-	-	-	-	-
TANAP (*)	2	2,486	-	-	1,335	2	-	-	-	-	-
TGS	-	-	-	-	3,295	2	-	-	-	-	-
Turkish DO&CO	-	-	-	-	2,297	-	-	-	-	-	-
THY OPET	-	-	-	-	682	-	-	-	-	-	-
Treasury (**)	2,020	188,752	-	-	2	337	-	-	-	-	518,641
TFS Akaryakıt Hizmetleri A.Ş.	6	-	-	-	3,517	-	-	-	-	-	-
PTTEM A.Ş.	6	-	-	-	74	-	-	-	-	-	-
Enerji Piyasaları İşletme A.Ş.	-	1,077	-	-	65	826	-	-	-	-	-
Air Albania	1,306	71	-	423	-	21	-	-	-	-	-
Vakıfbank	2	6	-	-	1	-	89,254	71,969	1,333	34,950	85,281
Vakıf Gayrimenkul Değerleme	-	-	-	-	-	-	9	-	-	-	-
Vakıf Finansal Kiralama	-	-	-	-	-	-	7	-	-	-	-
Vakıf Gayrimenkul Yatırım Ortaklığı	-	-	-	-	-	-	-	-	-	-	-
Other	70	10	-	5	296	50	-	-	-	-	-
									-	-	-
Total	**3,574**	**193,604**	**-**	**428**	**12,025**	**1,246**	**89,270**	**71,969**	**1,333**	**34,950**	**603,922**

(*) Consists of dividend receivables. Payables consist of natural gas transmission services received.

(**) Pursuant to the Decree Law No. 233 on Government Prices Enterprises, it is determined that the sales prices of goods and services are below the required sales prices, and the commissioning fee is covered by the Treasury. The amount of TRY 188,752 included in other short-term receivables is the receivables related to the commissioning fee made for BOTAŞ.

The details of the long term financial liabilities to the Treasury amounting to TRY 518,641 are explained in Note 23.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 8 - RELATED PARTY DISCLOSURES (Continued)

c) Related party transactions

	1 January - 31 December 2025								
Related Party Transactions	**Inventory / Service Purchases**	**Sales**	**Rent Income**	**Rent Expense**	**Interest Income**	**Interest Expense**	**Commission Income**	**Commission Expense**	**Other Expense**
Air Albania	-	88	-	-	-	-	-	-	-
Goodrich	950	54	-	-	-	-	-	-	-
Sun Express	2,242	3,672	-	-	-	638	1	-	-
P&W T.T	15,436	269	-	-	-	-	-	-	-
PTTEM A.Ş.	-	651	-	17	-	1	220	-	430
TANAP	18,267	2,875	-	-	-	21	-	-	-
TGS	35,757	4,007	-	-	18	77	-	-	-
Turkish DO&CO	26,001	127	-	-	-	-	-	-	-
THY OPET	12,655	1	-	-	-	72	8	-	-
TFS Akaryakıt Hizmetleri A.Ş.	102,977	21	-	-	-	162	-	-	-
Eti Soda	189	-	924	-	-	1	-	-	-
Vakıfbank	-	1,590	3	-	16,344	19,259	9	2,174	286
Vakıf Faktoring A.Ş.	-	3	-	-	-	-	30	-	-
Vakıf Finansal Kiralama A.Ş.	-	2	-	-	-	-	1	-	-
Vakıf Yatırım Menkul Değerler A.Ş.	-	338	-	-	-	-	6	-	3
Vakıf Gayrimenkul Değerleme A.Ş.	-	1	-	-	-	4	-	-	-
Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	-	1	-	-	-
Treasury (*)	(272,099)	2,238	-	-	-	174,156	-	-	1,795
Enerji Piyasaları İşletme A.Ş.	30,199	27,109	-	-	-	972	-	-	-
Other	397	178	-	-	1,706	444	9	-	1,531
Total	**(27,029)**	**43,224**	**927**	**17**	**18,068**	**195,808**	**284**	**2,174**	**4,045**

(*) Interest expense amounting to TRY 174,156 arises from special issued government debt securities transactions with Treasury.

The Treasury share includes the public share amounting to TRY 1,492 from 1 January 2025 to 31 December 2025 within the scope of the Law No. 5602 on the Regulation of Taxes, Funds and Game of Games Revenue Shares.

Pursuant to the Decree Law No. 233 on State Economic Enterprises, it is determined that the sales prices of goods and services are below the required sales prices, and the assignment fee is covered by the Treasury. Transaction amounting to TRY 272,099 is related to the assignment fee made to BOTAŞ.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 8 - RELATED PARTY DISCLOSURES (Continued)

	1 January - 31 December 2024							
Related Party Transactions	**Inventory / Service Purchases**	**Sales**	**Rent Income**	**Interest Income**	**Interest Expense**	**Commission Income**	**Comission Expense**	**Other Expense**
Air Albania	7	138	-	-	-	-	-	-
Goodrich	522	54	-	-	-	-	-	-
Sun Express	610	1,337	-	-	88	1	-	-
P&W T.T	11,402	309	-	-	-	-	-	-
PTTEM A.Ş.	-	757	3	-	84	62	-	402
TANAP	14,750	2,477	-	67	6	-	-	-
TGS	21,132	3,298	-	25	-	1	-	-
Turkish DO&CO	18,053	20	-	-	-	-	-	-
THY OPET	11,105	1	-	1	58	58	-	-
TFS Akaryakıt Hizmetleri A.Ş.	90,438	11	-	-	-	-	-	-
Eti Soda	122	-	795	-	-	-	-	-
Vakıfbank	-	781	-	13,292	13,476	-	1,177	-
Vakıf Finansal Kiralama A.Ş.	-	2	-	-	-	-	-	-
Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	1	-	-	-
Vakıf Gayrimenkul Değerleme A.Ş.	-	1	-	-	1	-	-	-
Vakıf Yatırım Menkul Değerler A.Ş.	-	284	-	-	-	-	-	-
Treasury (*)	(185,392)	1,371	-	-	153,103	-	-	994
Enerji Piyasaları İşletme A.Ş.	665	326	-	-	124	-	-	-
Other	274	268	-	4,064	499	4	-	827
Total	**(16,312)**	**11,435**	**798**	**17,449**	**167,440**	**126**	**1,177**	**2,223**

(*) Interest expense amounting to TRY 153,103 arises from special issued government debt securities transactions with Treasury.

The Treasury share includes the public share amounting to TRY 994 from 1 January 2024 to 31 December 2024 within the scope of the Law No. 5602 on the Regulation of Taxes, Funds and Game of Chance Revenue Shares.

Pursuant to the Decree Law No. 233 on State Economic Enterprises, it is determined that the sales prices of goods and services are below the required sales prices, and the commissioning fee is covered by the Treasury. Assignment fee amounting to TRY 185,392 was accounted by netting off the cost of sales.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 9 - TRADE RECEIVABLES

Current trade receivables	**31 December 2025**	**31 December 2024**
Trade receivables from related parties (Note 8)	2,083	3,574
Trade receivables from third parties	395,172	207,390
Trade receivables	378,624	201,573
Receivables from subscribers	16,716	11,445
Undue assigned contracted receivables	1,119	1,068
Other	31,008	10,612
Provision for expected credit loss (-)	(32,295)	(17,308)
Total	**397,255**	**210,964**

Non-current trade receivables	**31 December 2025**	**31 December 2024**
Trade receivables	6,276	10,347
Undue assigned contracted receivables	249	161
Other	6	-
Total	**6,531**	**10,508**

Movement of the provisions for expected credit losses of trade receivables is as follows:

	2025	**2024**
1 January	**(17,308)**	**(12,483)**
Charge for the year (Note 31)	(15,816)	(5,230)
Changes in the scope of consolidation	-	(109)
Collections from doubtful receivables	934	529
Provisions written off	999	826
Foreign currency translation differences	(1,104)	(841)
31 December	**(32,295)**	**(17,308)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 10 - TRADE PAYABLES

Current trade payables

	31 December 2025	31 December 2024
Trade payables due to related parties (Note 8)	16,900	12,025
Trade payables due to third parties	424,340	295,377
Trade payables	388,001	267,115
Trade payables due to members	16,334	14,379
Other trade payables	20,005	13,883
Total	**441,240**	**307,402**

Non-current trade payables

	31 December 2025	31 December 2024
Trade payables	579	1,920
Total	**579**	**1,920**

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

Other current receivables	31 December 2025	31 December 2024
Other receivables from related parties (Note 8)	89,204	193,604
Other receivables from third parties	104,004	96,407
Receivables from credit card transactions	29,624	25,445
Deposits given for derivatives	17,653	6,533
Predelivery payments made for aircrafts	14,615	29,514
Bank deposits with transfer limitations (*)	8,971	5,124
Receivables from technical purchases	8,408	9,056
Receivables from tax office	4,395	4,546
Operating lease receivables	3,080	1,269
Receivables from pilots for flight training	1,760	1,094
Deposits and guarantees given	1,505	1,154
Receivables from banking services	579	3,427
Receivables from lawsuit and court charges	364	207
Provisions for other doubtful receivables (-)	(1,243)	(1,041)
Other receivables	14,293	10,079
Total	**193,208**	**290,011**

(*) As of December 31, 2025, this amount relates to accounts held at banks located in Ethiopia, Bangladesh, Libya, Algeria, Malawi, Nigeria, Senegal, Niger, Mali, Burkina Faso, Mozambique, Angola, Cameroon, Chad, Gabon, Benin, Côte d'Ivoire, Equatorial Guinea, Congo, Lebanon, Venezuela, Ghana, Pakistan, Syria, and Iran. (As of December 31, 2024, this amount related to accounts held at banks located in Ethiopia, Bangladesh, Libya, Algeria, Nigeria, Senegal, Niger, Mali, Eritrea, Burkina Faso, Malawi, Mozambique, Angola, Cameroon, Chad, Gabon, Benin, Côte d'Ivoire, Equatorial Guinea, Congo, Sudan, Lebanon, Venezuela, Mauritania, Somalia, Ghana, Egypt, Pakistan, Syria, and Iran.)

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other non-current receivables:	**31 December 2025**	**31 December 2024**
Other receivables due from related parties (Note 8)	2,291	428
Other receivables due from third parties	79,583	55,770
Predelivery payments made for aircrafts	32,048	19,950
Receivables from pilots for flight training	10,258	6,278
Deposits and guarantees given	4,577	4,051
Receivables related to investment incentives	-	14,813
Other receivables (*)	32,700	10,678
Total	**81,874**	**56,198**

(*) The Group's offer to acquire the minority shares in Air Europa Holding S.L.U. has been accepted, the relevant agreements have been signed, and the process has moved to the stage of obtaining regulatory approvals. The final shareholding percentage to be obtained as a result of the EUR 300 (TRY 14,766) convertible loan into capital will be determined based on the conditions prevailing on the date the necessary approvals are obtained.

The movement table of expected credit loss provision for other receivables is as follows:

	2025	**2024**
1 January	(1,041)	(753)
Provisions for the period (Note 31)	(228)	(331)
Reversals of provisions due to collections	31	43
Currency translation differences	(5)	-
31 December	**(1,243)**	**(1,041)**

Other current payables	**31 December 2025**	**31 December 2024**
Other payables to related parties (Note 8)	771	1,246
Other payables to third parties	272,967	250,960
Payables related to credit card transactions	196,888	133,621
Taxes and funds payable	36,346	90,062
Deposits and guarantees received	2,931	1,127
Accrued Treasury Share, Universal Service Fund contribution and contributions to the ICTA's expenses	8,550	5,483
Other payables	28,252	20,667
Total	**273,738**	**252,206**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other non-current payables	**31 December 2025**	**31 December 2024**
Other payables to third parties	2,458	1,504
Deposits and guarantees received	1,468	1,282
Other payables	990	222
Total	**2,458**	**1,504**

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

Receivables from finance sector

	31 December 2025	**31 December 2024**
Consumer loans and credit cards receivables	1,209,318	851,409
Agriculture	1,127,703	796,605
Manufacturing industry	1,057,558	753,837
Food and beverage, wholesale and retail	678,053	453,239
Construction	633,678	414,608
Real estate and leasing services	441,881	310,052
Hotel and restaurant services	207,131	139,473
Automotive	188,040	131,092
Telecommunication and transportation	169,895	125,408
Textile	165,328	108,904
Energy	149,795	110,102
Mining	114,589	84,462
Chemicals	69,837	38,297
Financial institutions	66,653	46,277
Other	419,774	220,325
Receivables from finance sector operations	**6,699,233**	**4,584,090**
Expected credit loss provision	(192,051)	(139,351)
Lease receivables	111,409	66,507
Impairment on lease receivables	(1,329)	(795)
Net receivables from finance sector operations	**6,617,262**	**4,510,451**

The table above includes all of the bank's performing and non-performing loans, and the expected credit loss provision has been allocated based on the Group's assessment, taking into account the entire credit risk.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The maturity analysis of receivables from finance sector operations at 31 December 2025 and 2024 is as follows:

	31 December 2025	31 December 2024
Up to 3 months	1,725,438	1,214,914
3-12 months	1,995,576	1,274,260
Short Term	**3,721,014**	**2,489,174**
1-5 years	2,301,139	1,683,884
Over 5 years	595,109	337,393
Long Term	**2,896,248**	**2,021,277**
Total	**6,617,262**	**4,510,451**

The repricing dates of the loans and receivables to customers as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Up to 3 months	3,815,566	2,521,409
3-12 months	1,377,199	782,495
1-5 years	1,106,448	1,006,184
Over 5 years	318,049	200,363
Total	**6,617,262**	**4,510,451**

As of 31 December 2025, the effective interest rates of USD, EUR and TRY denominated loans and advances to customers are 7.32%-8.19%; 6.43%-7.44% and 41.98%-68.22% p.a. respectively (31 December 2024: 8.22%-8.90%; 6.45%-7.25% and 43.73%-70.15% p.a).

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS (Continued)

31 December 2025

	Commercial Loans Balance	Commercial Loans Provisions	Consumer Loans Balance	Consumer Loans Provision	Credit Cards Balance	Credit Cards Provision	Financial Lease Balance	Financial Lease Provision	Insurance Operations Balance	Insurance Operations Provision	Total Balance	Total Provision
Loans	**5,454,815**	**(161,879)**	**597,023**	**(22,713)**	**612,295**	**(7,459)**	**111,409**	**(1,329)**	**35,100**	**-**	**6,810,642**	**(193,380)**
Stage 1	4,848,770	(21,007)	543,126	(2,811)	558,454	(1,700)	110,351	(1,078)	35,100	-	**6,095,801**	**(26,596)**
Stage 2	428,229	(47,614)	31,747	(3,284)	46,888	(1,313)	667	(1)	-	-	**507,531**	**(52,212)**
Stage 3	177,816	(93,258)	22,150	(16,618)	6,953	(4,446)	391	(250)	-	-	**207,310**	**(114,572)**
Non-Cash Loans	**2,957,541**	**(15,639)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,957,541**	**(15,639)**
Stage 1	2,861,411	(7,068)	-	-	-	-	-	-	-	-	**2,861,411**	**(7,068)**
Stage 2	82,262	(3,504)	-	-	-	-	-	-	-	-	**82,262**	**(3,504)**
Stage 3	13,868	(5,067)	-	-	-	-	-	-	-	-	**13,868**	**(5,067)**
Total	**8,412,356**	**(177,518)**	**597,023**	**(22,713)**	**612,295**	**(7,459)**	**111,409**	**(1,329)**	**35,100**	**-**	**9,768,183**	**(209,019)**

31 December 2024

	Commercial Loans Balance	Commercial Loans Provisions	Consumer Loans Balance	Consumer Loans Provision	Credit Cards Balance	Credit Cards Provision	Financial Lease Balance	Financial Lease Provision	Insurance Operations Balance	Insurance Operations Provision	Total Balance	Total Provision
Loans	**3,712,311**	**(124,667)**	**418,067**	**(11,426)**	**433,342**	**(3,258)**	**66,507**	**(795)**	**20,370**	**-**	**4,650,597**	**(140,146)**
Stage 1	3,319,917	(13,990)	389,906	(1,556)	401,634	(1,186)	65,662	(615)	20,370	-	**4,197,489**	**(17,347)**
Stage 2	301,595	(51,985)	17,491	(3,179)	27,773	(806)	597	(13)	-	-	**347,456**	**(55,983)**
Stage 3	90,799	(58,692)	10,670	(6,691)	3,935	(1,266)	248	(167)	-	-	**105,652**	**(66,816)**
Non-Cash Loans	**1,973,928**	**(12,986)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,973,928**	**(12,986)**
Stage 1	1,898,534	(4,950)	-	-	-	-	-	-	-	-	**1,898,534**	**(4,950)**
Stage 2	66,324	(3,809)	-	-	-	-	-	-	-	-	**66,324**	**(3,809)**
Stage 3	9,070	(4,227)	-	-	-	-	-	-	-	-	**9,070**	**(4,227)**
Total	**5,686,239**	**(137,653)**	**418,067**	**(11,426)**	**433,342**	**(3,258)**	**66,507**	**(795)**	**20,370**	**-**	**6,624,525**	**(153,132)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement of the expected credit losses is as follows:

	2025	2024
1 January	**(140,146)**	**(126,021)**
Additions, net	(115,979)	(69,959)
Collections	61,548	53,736
Impairment loss on lease receivables, net	(534)	47
Foreign currency translation differences	(579)	(118)
Disposals/ write-offs	2,310	2,169
31 December	**(193,380)**	**(140,146)**

31 December 2025	1st Stage	2nd Stage	3rd Stage	Total
Opening provision	(17,347)	(55,983)	(66,816)	**(140,146)**
Increase during current period	(18,732)	(37,497)	(60,284)	**(116,513)**
Collections	9,133	39,098	13,317	**61,548**
Write-offs	-	-	2,310	**2,310**
Transfer to 1st Stage	(1,453)	1,443	10	-
Transfer to 2nd Stage	1,402	(1,952)	550	-
Transfer to 3rd Stage	451	2,773	(3,224)	-
Foreign currency translation differences	(50)	(94)	(435)	**(579)**
Total provision	**(26,596)**	**(52,212)**	**(114,572)**	**(193,380)**

31 December 2024	1st Stage	2nd Stage	3rd Stage	Total
Opening provision	(21,622)	(50,360)	(54,039)	**(126,021)**
Increase during current period	(17,250)	(29,577)	(23,085)	**(69,912)**
Collections	22,209	22,815	8,712	**53,736**
Write-offs	28	-	1,974	**2,002**
Disposals due to portfolio sale	-	-	167	**167**
Transfer to 1st Stage	(1,224)	1,195	29	-
Transfer to 2nd Stage	340	(370)	30	-
Transfer to 3rd Stage	73	245	(318)	-
Foreign currency translation differences	99	69	(286)	**(118)**
Total provision	**(17,347)**	**(55,983)**	**(66,816)**	**(140,146)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Payables from finance sector operations:

	31 December 2025			31 December 2024		
	Demand	**Time**	**Total**	**Demand**	**Time**	**Total**
Foreign currency deposits	1,145,110	1,193,295	**2,338,405**	817,746	827,950	**1,645,696**
Commercial deposits	471,821	2,659,984	**3,131,805**	327,944	1,596,825	**1,924,769**
Savings deposits	418,700	2,096,730	**2,515,430**	287,278	1,855,744	**2,143,022**
Interbank deposits	218,397	181,857	**400,254**	171,391	95,239	**266,630**
Precious metals deposit	851,680	134,568	**986,248**	352,740	59,276	**412,016**
Funds provided from repo transactions	-	887,977	**887,977**	-	471,186	**471,186**
Fund provided from other financial institutions	610	937,679	**938,289**	38	594,712	**594,750**
Securities issued	-	442,263	**442,263**	-	207,244	**207,244**
Borrowings from money markets	-	14,708	**14,708**	-	10,469	**10,469**
Subordinated debt instruments	-	124,180	**124,180**	-	51,085	**51,085**
Total	**3,106,318**	**8,673,241**	**11,779,559**	**1,957,137**	**5,769,730**	**7,726,867**

As of 31 December 2025 and 2024, deposits and money market borrowings, the analysis of the remaining maturity dates and repricing dates in the contract are presented below:

	31 December 2025	**31 December 2024**
Demand deposits	3,106,318	1,957,137
Up to 3 months	7,526,752	4,753,899
3-12 months	884,775	780,710
1-5 years	178,609	174,167
Over 5 years	83,105	60,954
Total	**11,779,559**	**7,726,867**

Effective interest rates of USD, EUR, and TRY denominated customer deposits 1.46%-2.40%, 0.64%-1.32% and 37.50%-45.25% p.a respectively (31 December 2024: are 1.57%-2.50%, 0.81%-1.75% and 44.10%-49.00% p.a).

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 13 - DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 December 2025 and 2024, the details of derivative financial instruments are as follows:

31 December 2025

	Fair Value	
Derivative instruments held for trading	**Asset**	**Liabilities**
Foreign exchange and interest rate swaps purchases and sales transactions	43,258	25,407
Cross currency swap	489	691
Forward foreign exchange sales and purchase transactions	4,037	5,691
Structured cross currency swap	471	33
Currency purchases and sales options	851	838
Option contracts	-	50
Other purchase and sales transactions	18	-
Total derivative instruments held for trading	**49,124**	**32,710**
Derivative instruments designated as hedging instruments:		
Cross currency swap	391	4
Derivative instruments for fuel prices cash flow hedge (*)	7	1,279
Foreign exchange and interest rate swaps purchases and sales transactions	45	1
Total derivative instruments held for hedging	**443**	**1,284**
Total derivative instruments	**49,567**	**33,994**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 13 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

31 December 2024

	Fair Value	
Derivative instruments held for trading	**Asset**	**Liabilities**
Foreign exchange and interest rate swaps purchases and sales transactions	17,619	14,019
Cross currency swap	390	-
Forward foreign exchange sales and purchase transactions	2,426	2,812
Structured cross currency swap	1,215	99
Currency purchases and sales options	76	66
Other purchase and sales transactions	36	-
Total derivative instruments held for trading	**21,762**	**16,996**
Derivative instruments designated as hedging instruments:		
Participating cross currency swap	-	103
Derivative instruments for fuel prices cash flow hedge (*)	141	442
Cross currency swap	656	-
Foreign exchange and interest rate swaps purchases and sales transactions	126	16
Forward foreign exchange sales and purchase transactions	6	-
Total derivative instruments held for hedging	**929**	**561**
Total derivative instruments	**22,691**	**17,557**

The Group uses derivatives to avoid economical risks and classifies and accounts for trading in accordance with TFRS 9 standard. The Group perform hedging through interest rate swaps, cross currency swaps, options and forwards against the cash flow risk arising from its financial debts.

The Group has credit termly derivative transactions as part of its trading transactions. These transactions include credit default swaps which are based on treasury of Turkish Republic's credit risk.

(*) Within the scope of the financial risk management strategy, the Group started fuel price risk hedging in 2009, in order to manage the cash flow effect that may arise from the fluctuation of the fuel price. Fuel price risk management strategy was updated several times over the years with the experience gained. In accordance with the Group's latest BOD resolution issued on 14 July 2017, hedging transactions are executed for the tenor of at most 24 months and up to 60% of the forecasted fuel consumption of the following month. Also with this resolution, premium paid options have been included to the instrument list for the first time, in addition to formerly used swap and zero-cost option structures. The tenor, ratio and instrument to-be-used are chosen based on the current market conditions and future expectations. As a result of these changes, hedging strategy has become more flexible and accommodative to fuel market conditions. It is aimed to either fix the fuel price or keep it in a restrained range. The effective portion of fair value of fuel hedge contracts for cash flow hedge is recognized in other comprehensive income and presented in cash flow hedge reserve under the shareholders' equity, in accordance with hedge accounting.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 14 - INVENTORIES

	31 December 2025	31 December 2024
Trade goods	79,143	64,440
Finished goods	81,837	54,040
Technical equipment	19,776	15,983
Raw materials	45,425	28,958
Semi-finished goods	6,964	6,329
Goods in transit	7,280	7,153
Provision for impairment (-)	(2,593)	(3,139)
Other inventories (*)	31,230	15,106
Total	**269,062**	**188,870**

(*) TRY 19,138 of other inventories consists of properties under construction belonging to THY GYO.

Movement of inventory allowance is presented below:

	2025	2024
1 January	**(3,139)**	**(301)**
Increase during the year	(2,264)	(2,838)
Reversal of provisions due to sales	2,807	-
Provision no longer required	1	-
Written off	2	-
31 December	**(2,593)**	**(3,139)**

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

Current prepaid expenses	31 December 2025	31 December 2024
Prepaid cost of Social Security Institution pension promotion	33,649	28,142
Advances given	24,431	12,800
Prepaid commission expenses	17,681	11,028
Prepaid bank card promotions	9,766	-
Prepaid expenses related to upcoming months	9,492	7,779
Work advances	1,563	1,745
Prepaid sales commission	901	669
Prepaid advertising expenses	722	537
Prepaid lease expenses	470	364
Other short-term prepaid expenses	13,678	11,085
Total	**112,353**	**74,149**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Non-current prepaid expenses	31 December 2025	31 December 2024
Prepaid engine maintenance expenses	84,787	55,962
Prepaid cost of Social Security Institution pension promotion	87,923	10,637
Advances given for property, plant and equipment	17,626	13,682
Other long- term prepaid expenses	5,812	5,255
Total	**196,148**	**85,536**

Current deferred income	31 December 2025	31 December 2024
Passenger flight liabilities (*)	119,818	83,139
Contractual obligations arising from the sale of goods and services	33,001	14,933
Deferred financial income	5,426	3,934
Concessional loan related to aircraft, engine and other acquisitions (**)	5,286	6,091
Other	12,812	7,874
Total	**176,343**	**115,971**

(*) Tickets sold but not used (unflown) yet are recognized as passenger flight liabilities in deferred income as a contract liability in accordance with TFRS 15.

(**) Comprises certain complimentary/discounted services provided by the supplier in connection with aircraft purchases and the procurement of repair, maintenance, modification and similar services, to be utilized in future periods.

Non-current deferred income	31 December 2025	31 December 2024
Long-term deferred income (*)	14,239	14,190
Contractual obligations arising from the sale of goods and services	5,065	3,945
Advances received	4,458	6,308
Total	**23,762**	**24,443**

(*) As of 31 December 2025, deferred revenue balance amounting to TRY 13,903 (2024: TRY 13,959) includes collections related to services and oil costs that TPAO has not yet completed in Missan, Badra, Siba and Mansurya projects.

NOTE 16 - OTHER ASSETS AND LIABILITIES

Other current assets	31 December 2025	31 December 2024
Reinsurance share of insurance technical reserves/provisions	53,615	45,397
Interbank check swap account	31,948	40,186
Deferred VAT	30,112	19,772
Contractual obligations arising from the sale of goods and services	15,378	13,450
Other miscellaneous current assets (*)	60,016	44,632
Total	**191,069**	**163,437**

(*) Other current assets comprises of gold balance from the finance sector amounting to TRY 18,131 (2024: TRY 11,244).

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NOTE 16 - OTHER ASSETS AND LIABILITIES (Continued)

Other non-current assets	31 December 2025	31 December 2024
Deferred VAT	12,236	6,497
Stocks needed for following years (*)	9,890	7,401
Long-term tax receivables	6,166	5,614
Advance given for leasing transactions	2,608	1,269
Cushion gas and pipeline filling gas	1,895	1,557
Receivables from forward sale of assets	653	761
Other miscellaneous non- current assets	21,648	21,255
Total	**55,096**	**44,354**

(*) As of 31 December 2025 and 2024, the balance consists of raw materials and supplies for which the need for use will arise in more than one year.

Other current liabilities	31 December 2025	31 December 2024
Deposit and guarantees received (*)	247,336	148,571
Interbank check swap account	63,398	55,196
Payables to securities market	63,288	5,788
Taxes and fund payable	58,601	26,849
Liabilities from derivative financial instruments	23,691	9,470
Deferred fees and commissions	16,353	11,248
Expense accruals	4,595	4,500
Accruals for maintenance and repairment	3,652	14,723
Import transfer orders	2,800	1,776
Transactions with awaited receipt	1,323	1,412
Blocked cash	837	1,293
Other miscellaneous payables and liabilities	56,997	30,468
Total	**542,871**	**311,294**

(*) It consists of collateral obtained from members by Takasbank for the purpose of conducting transactions in the markets.

Other non-current liabilities	31 December 2025	31 December 2024
Liabilities from various bank transactions	17,608	9,944
Accruals for maintenance and repairment	13,528	-
Other liabilities	17,092	9,767
Total	**48,228**	**19,711**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 17 - EQUITY ACCOUNTED INVESTEES

The carrying values of equity accounted investees are as follows:

	31 December 2025	31 December 2024
Vakıfbank	212,745	146,881
TANAP	71,835	60,758
Sun Express	15,122	11,325
Eti Soda	5,020	3,387
Other	32,832	22,591
Total	**337,554**	**244,942**

Share of net profit/(loss) from equity accounted investees included in the Group's consolidated net income is as follows:

	31 December 2025	31 December 2024
Vakıfbank	54,961	43,377
TANAP	13,601	12,343
Eti Soda	1,868	2,059
Sun Express	787	2,629
Other	5,486	3,190
Total	**76,703**	**63,598**

The movement schedule of carrying values of equity accounting is as follows:

	2025	2024
1 January	244,942	186,171
Additions to the scope of consolidation	-	(16)
Share of profit	76,703	63,598
Acquisition of subsidiaries	24	-
Capital increase	264	1
Dividends paid to shareholders	(17,561)	(16,320)
Sale of shares	(3,500)	-
Share of other comprehensive income/(expense)	13,325	(2,576)
Foreign currency translation differences	23,357	14,084
31 December	**337,554**	**244,942**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 17 - EQUITY ACCOUNTED INVESTEES (Continued)

Financial information of Vakıfbank as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Current assets	2,805,193	2,299,456
Non-current assets	2,661,128	1,772,638
Short-term liabilities	4,328,855	3,036,712
Long-term liabilities	805,517	801,121
Equity	331,949	234,261
Share (%)	73.26	74.79
Group's share in shareholders' equity	**212,745**	**146,881**

	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	1,418,015	991,847
Profit for the year	74,190	57,999
Share (%)	73.26	74.79
Group's share in profit for the year	**54,961**	**43,377**

(*) Due to the sale of the nominal shares detailed in Note 1, the Group has recognized TRY 29,799, representing a 74.79% share of Vakıfbank's net profit for the period January 1 – 30 September 2025, and TRY 25,162, representing a 73.26% share of the net profit for the period 1 October – 31 December 2025, under the profit from investments accounted for using the equity method account.

Financial information of TANAP as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Assets	258,824	216,262
Liabilities	19,373	13,735
Equity	239,451	202,527
Share (%)	30	30
Group's share in shareholders' equity	**71,835**	**60,758**

	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	67,104	55,870
Profit for the year	45,336	41,142
Share (%)	30	30
Group's share in profit for the year	**13,601**	**12,343**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 17 - EQUITY ACCOUNTED INVESTEES (Continued)

Financial information of Eti Soda as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Assets	23,683	16,654
Liabilities	4,377	3,629
Equity	19,306	13,025
Share (%)	26	26
Group's share in shareholders' equity	**5,020**	**3,387**

	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	17,915	15,084
Profit for the year	7,186	7,920
Share (%)	26	26
Group's share in profit for the year	**1,868**	**2,059**

Financial information of Sun Express as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Assets	133,336	88,130
Liabilities	103,092	65,481
Equity	30,244	22,649
Share (%)	50	50
Group's share in shareholders' equity	**15,122**	**11,325**

	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	93,657	69,938
Profit for the year	1,573	5,258
Share (%)	50	50
Group's share in profit for the year	**787**	**2,629**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 18 - INVESTMENT PROPERTIES

Movement schedule of investment properties is as follows:

	2025	2024
1 January	**203,102**	**117,729**
Additions	6,201	2,718
Additions to the scope of consolidation	-	6,450
Increases in fair value (Note 32)	57,462	74,731
Disposals (-)	(4,124)	(73)
Foreign currency translation differences	2,413	1,368
Transfers	5,232	179
31 December	**270,286**	**203,102**

The Group's investment properties comprise of commercial properties that are leased to third parties.

The fair value of investment properties has been determined by external, independent property valuation companies which are assigned by the Group. The Group has its valuation reports prepared every year. These valuation companies are authorized by the Capital Markets Board ("CMB") and provide real estate valuation services in accordance with the capital market legislation. The fair values of the Group's investment properties have been determined using the "Precedent Comparison" approach. For the fair values of the investment properties of TVF IFM, "Cost Approach Analysis" was used to determine the current situation and the value in case of completed.

Rental income arising from investment properties is TRY 4,383 (2024: TRY 3,743) The Group has no restrictions on its investment properties and no contractual obligations related to purchase, construction development, repairs or maintenance and increasing value.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 31 December 2025 is as follows:

	Land	Land Improvement	Buildings	Machinery and Improvement	Motor Vehicles	Furniture and Fixtures	Leasehold Improvement	Construction in Progress	Aircraft	Components and Repairable Spare Parts	Spare Parts	Oil and Gas Assets	Satellites	Other	Stripping costs	Network infrastructure (operational)	Total
Cost																	
Balance at 1 January 2025	13,778	51,507	224,126	177,065	72,501	39,810	17,814	124,027	330,518	32,286	33,057	576,919	4,407	25,155	3,900	71,411	**1,798,281**
Transfers from investments in progresses	-	5,043	4,932	7,173	516	1,564	1,512	(47,884)	1,499	-	1,538	246	2,121	12	-	19,161	**(2,567)**
Transfers to right of use assets	-	-	-	-	-	-	-	(39)	65,506	-	2,130	-	-	-	-	-	**67,597**
Additions	463	727	26,344	28,780	4,400	12,216	5,077	235,542	16,564	12,541	6,941	78,351	-	5,249	5,521	9,918	**448,634**
Foreign currency translation differences	410	7,299	34,558	15,812	5,114	5,363	2,202	26,742	77,237	7,055	7,900	155,900	-	2,664	-	2,461	**350,717**
Provision for impairment	(77)	-	-	-	-	-	-	-	-	-	-	(13,626)	-	-	-	-	**(13,703)**
Effect of changes in the scope of consolidation	-	-	-	95	3	81	33	-	-	-	-	-	-	-	-	-	**212**
Transfers From Investment Property	(166)	-	(5,468)	-	-	-	-	-	-	-	-	-	-	-	-	-	**(5,634)**
Disposals (-)	(246)	(12)	(1,500)	(756)	(655)	(1,277)	(766)	(11,813)	(10,096)	(11,003)	(1,183)	(78)	-	(6)	-	(836)	**(40,227)**
Balance at 31 December 2025	**14,162**	**64,564**	**282,992**	**228,169**	**81,879**	**57,757**	**25,872**	**326,575**	**481,228**	**40,879**	**50,383**	**797,712**	**6,528**	**33,074**	**9,421**	**102,115**	**2,603,310**
Accumulated depreciation and impairment (-)																	
Balance at 1 January 2025	-	(21,737)	(33,761)	(100,518)	(15,855)	(22,570)	(8,038)	(7)	(190,471)	(15,952)	(16,187)	(292,096)	(582)	(7,394)	(2,798)	(32,391)	**(760,357)**
Transfers to right of use assets	-	-	-	-	-	-	-	-	(28,356)	-	(1,183)	-	-	-	-	-	**(29,539)**
Foreign currency translation differences	-	(3,151)	(6,214)	(9,987)	(3,054)	(3,185)	(1,230)	-	(45,468)	(3,486)	(3,739)	(77,513)	-	(8,542)	-	(1,597)	**(167,166)**
Current period depreciation	-	(4,539)	(4,664)	(13,150)	(5,233)	(7,483)	(2,435)	-	(23,757)	(2,927)	(3,401)	(29,580)	(227)	(1,124)	(4,743)	(7,236)	**(110,499)**
Provision for impairment	-	-	(266)	(4)	-	(3)	-	-	-	-	-	-	-	-	-	(25)	**(298)**
Effect of changes in the scope of consolidation	-	-	-	(19)	(1)	(45)	(11)	-	-	-	-	-	-	-	-	-	**(76)**
Transfers From Investment Property	-	-	35	-	-	-	-	-	-	-	-	-	-	-	-	-	**35**
Disposals (+)	-	3	174	398	153	650	494	-	9,938	2,051	1,183	50	-	1	-	551	**15,646**
Balance at 31 December 2025	**-**	**(29,424)**	**(44,696)**	**(123,280)**	**(23,990)**	**(32,636)**	**(11,220)**	**(7)**	**(278,114)**	**(20,314)**	**(23,327)**	**(399,139)**	**(809)**	**(17,059)**	**(7,541)**	**(40,698)**	**(1,052,254)**
Net book value at 31 December 2025	**14,162**	**35,140**	**238,296**	**104,889**	**57,889**	**25,121**	**14,652**	**326,568**	**203,114**	**20,565**	**27,056**	**398,573**	**5,719**	**16,015**	**1,880**	**61,417**	**1,551,056**

The Group's depreciation expenses amounting to TRY 182,998 (31 December 2024: TRY 141,929) has been recognized in cost of sales, TRY 24,578 (31 December 2024: TRY 17,367) in general administrative expenses and TRY 4,637 (31 December 2024: TRY 3,042) in marketing and distribution expense.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for the year ended 31 December 2024 is as follows:

	Land	Land Improvement	Buildings	Machinery and Improvement	Motor Vehicles	Furniture and Fixtures	Leasehold Improvement	Construction in Progress	Aircraft	Components and Repairable Spare Parts	Spare Parts	Oil and Gas Assets	Satellites	Other	Stripping costs	Network infrastructure (operational)	Total
Cost																	
Balance at 1 January 2024	13,907	35,089	170,162	144,414	43,878	26,414	12,394	73,231	221,607	24,909	25,934	437,713	4,251	14,564	1,128	53,489	**1,303,084**
Transfers from investments in progresses	25	12,988	14,366	8,656	971	780	285	(52,661)	262	-	33	713	-	10	-	12,545	**(1,027)**
Transfers to right of use assets	-	-	-	-	-	-	-	-	57,074	-	426	-	-	(29)	-	-	**57,471**
Additions	324	1,247	12,051	16,063	15,434	11,500	3,724	97,504	9,212	8,556	1,770	74,059	156	6,175	2,772	5,632	**266,179**
Foreign currency translation differences	264	2,705	30,935	9,730	11,302	2,773	1,530	4,944	48,559	5,115	5,287	89,256	-	2,951	-	544	**215,895**
Provision for impairment	-	-	-	-	-	-	-	-	-	-	-	(24,822)	-	-	-	-	**(24,822)**
Effect of changes in the scope of consolidation	-	530	-	1,404	1,086	162	6	1,603	-	-	-	-	-	2,232	-	-	**7,023**
Transfers From Investment Property	(377)	79	127	-	-	-	-	-	-	-	-	-	-	-	-	-	**(171)**
Disposals (-)	(365)	(1,131)	(3,515)	(3,202)	(170)	(1,819)	(125)	(594)	(6,196)	(6,294)	(393)	-	-	(748)	-	(799)	**(25,351)**
Balance at 31 December 2024	**13,778**	**51,507**	**224,126**	**177,065**	**72,501**	**39,810**	**17,814**	**124,027**	**330,518**	**32,286**	**33,057**	**576,919**	**4,407**	**25,155**	**3,900**	**71,411**	**1,798,281**
Accumulated depreciation and impairment (-)																	
Balance at 1 January 2024	-	(16,424)	(24,112)	(85,947)	(9,854)	(16,651)	(5,635)	(1)	(127,821)	(12,605)	(11,415)	(223,125)	(574)	(4,013)	(967)	(27,199)	**(566,343)**
Transfers to right of use assets	-	-	-	-	-	-	-	-	(25,111)	-	(164)	-	-	16	-	-	**(25,259)**
Foreign currency translation differences	-	(2,014)	(3,736)	(5,342)	(1,627)	(2,001)	(870)	(6)	(28,002)	(2,556)	(2,441)	(41,095)	-	(985)	-	(432)	**(91,107)**
Current period depreciation	-	(3,186)	(6,090)	(11,277)	(4,238)	(4,600)	(1,598)	-	(15,602)	(4,299)	(2,560)	(27,876)	(8)	(1,114)	(1,831)	(5,306)	**(89,585)**
Provision for impairment	-	-	(2)	-	-	(7)	-	-	-	-	-	-	-	(25)	-	(21)	**(55)**
Effect of changes in the scope of consolidation	-	(227)	-	(743)	(270)	(97)	(2)	-	-	-	-	-	-	(1,531)	-	-	**(2,870)**
Transfers From Investment Property	-	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(8)**
Disposals (+)	-	122	179	2,791	134	786	67	-	6,065	3,508	393	-	-	258	-	567	**14,870**
Balance at 31 December 2024	**-**	**(21,737)**	**(33,761)**	**(100,518)**	**(15,855)**	**(22,570)**	**(8,038)**	**(7)**	**(190,471)**	**(15,952)**	**(16,187)**	**(292,096)**	**(582)**	**(7,394)**	**(2,798)**	**(32,391)**	**(760,357)**
Net book value at 31 December 2024	**13,778**	**29,770**	**190,365**	**76,547**	**56,646**	**17,240**	**9,776**	**124,020**	**140,047**	**16,334**	**16,870**	**284,823**	**3,825**	**17,761**	**1,102**	**39,020**	**1,037,924**

.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 20 - INTANGIBLE ASSETS AND GOODWILL

The movement in intangible assets for the year ended 31 December 2025 is as follows:

Cost	Goodwill	Rights (*)	Slot Rights and Acquired Technical (**)	Software licenses	Development Costs	Investment in progress	Oil and Gas R&D assets	Brands	Other Rights	Contract Acquisition Cost	GSM and other Telecommunication licences	Transmission lines	Indefeasible right of usage	Subscriber acquisition cost	Customer base	Concession rights	Concession assets	Total
Balance at 1 January 2025	2,428	50,282	1,550	56,632	2,287	472	26	22,216	13,358	1,639	17,200	91	278	31,656	1,758	35,875	2,928	**240,676**
Effect of changes in the scope of consolidation	-	113	-	-	-	-	-	-	34	-	-	-	-	-	-	-	-	**147**
Foreign currency translation differences	-	4,640	332	1,624	6	-	-	5	1,999	-	111	-	-	142	-	-	-	**8,859**
Additions	202	11,828	-	28,354	1,388	832	-	-	5,981	759	3,498	3	7	17,079	-	19,443	-	**89,374**
Disposals (-)	-	(605)	(45)	(381)	(66)	-	-	-	(30)	-	-	-	-	-	-	(83)	-	**(1,210)**
Transfers from investments in progresses	-	1,458	-	678	510	(726)	-	-	(301)	-	1	-	-	-	-	-	-	**1,620**
Balance at 31 December 2025	**2,630**	**67,716**	**1,837**	**86,907**	**4,125**	**578**	**26**	**22,221**	**21,041**	**2,398**	**20,810**	**94**	**285**	**48,877**	**1,758**	**55,235**	**2,928**	**339,466**
Accumulated amortization																		
Balance at 1 January 2025	-	(25,550)	-	(23,901)	(972)	-	(2)	-	(9,760)	(797)	(10,346)	(91)	(103)	(15,421)	(329)	(13,263)	-	**(100,535)**
Effect of changes in the scope of consolidation	-	(23)	-	-	-	-	-	-	(17)	-	-	-	-	-	-	-	-	**(40)**
Foreign currency translation differences	-	(2,762)	-	(985)	(6)	-	-	-	(1,911)	-	(89)	-	-	(131)	-	-	-	**(5,884)**
Current period amortization	-	(5,261)	-	(8,703)	(382)	-	-	-	(2,136)	(406)	(2,112)	(2)	(9)	(7,370)	-	(2,308)	-	**(28,689)**
Impairment provision	-	-	-	(244)	-	-	-	-	-	-	-	-	-	-	-	(1)	-	**(245)**
Disposals	-	69	-	61	64	-	-	-	28	-	-	-	-	-	-	83	-	**305**
Balance at 31 December 2025	**-**	**(33,527)**	**-**	**(33,772)**	**(1,296)**	**-**	**(2)**	**-**	**(13,796)**	**(1,203)**	**(12,547)**	**(93)**	**(112)**	**(22,922)**	**(329)**	**(15,489)**	**-**	**(135,088)**
Net book value	**2,630**	**34,189**	**1,837**	**53,135**	**2,829**	**578**	**24**	**22,221**	**7,245**	**1,195**	**8,263**	**1**	**173**	**25,955**	**1,429**	**39,746**	**2,928**	**204,378**

(Amounts expressed in miilions of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 20 - INTANGIBLE ASSETS AND GOODWILL (Continued)

The movement in intangible assets for the year ended 31 December 2024 is as follows:

Cost	Goodwill	Rights (*)	Slot Rights and Acquired Technical (**)	Software licenses	Development Costs	Investment in progress	Oil and Gas R&D assets	Brands	Other Rights	Contract Acquisition Cost	GSM and other Telecommunication licences	Transmission lines	Indefeasible right of usage	Subscriber acquisition costs	Customer base	Concession rights	Concession assets	Total
Balance at 1 January 2024	2,272	40,578	1,293	37,765	1,471	363	26	22,215	10,492	1,065	17,203	91	122	20,720	1,758	26,947	2,928	**187,309**
Effect of changes in the scope of consolidation	-	84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**84**
Foreign currency translation differences	-	2,539	257	213	10	-	-	1	711	-	27	-	-	22	-	-	-	**3,780**
Additions	156	6,965	-	20,106	596	515	-	-	3,113	574	-	-	156	10,939	-	8,941	-	**52,061**
Disposals (-)	-	(127)	-	(1,680)	(9)	(2)	-	-	(1,038)	-	(35)	-	-	(25)	-	(13)	-	**(2,929)**
Transfers from investments in progresses	-	243	-	228	219	(404)	-	-	80	-	5	-	-	-	-	-	-	**371**
Balance at 31 December 2024	**2,428**	**50,282**	**1,550**	**56,632**	**2,287**	**472**	**26**	**22,216**	**13,358**	**1,639**	**17,200**	**91**	**278**	**31,656**	**1,758**	**35,875**	**2,928**	**240,676**
Accumulated amortization																		
Balance at 1 January 2024	-	(20,140)	-	(18,449)	(702)	-	(2)	-	(8,533)	(571)	(8,801)	(88)	(50)	(10,971)	(329)	(11,760)	-	**(80,396)**
Effect of changes in the scope of consolidation	-	(33)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(33)**
Foreign currency translation differences	-	(1,952)	-	(199)	(78)	-	-	-	(616)	-	(18)	-	-	(20)	-	-	-	**(2,883)**
Current period amortization	-	(3,519)	-	(5,540)	(192)	-	-	-	(1,550)	(226)	(1,532)	(3)	(53)	(4,430)	-	(1,516)	-	**(18,561)**
Impairment provision	-	-	-	(77)	-	-	-	-	(1)	-	-	-	-	-	-	-	-	**(78)**
Disposals	-	94	-	364	-	-	-	-	940	-	5	-	-	-	-	13	-	**1,416**
Balance at 31 December 2024	**-**	**(25,550)**	**-**	**(23,901)**	**(972)**	**-**	**(2)**	**-**	**(9,760)**	**(797)**	**(10,346)**	**(91)**	**(103)**	**(15,421)**	**(329)**	**(13,263)**	**-**	**(100,535)**
Net book value	**2,428**	**24,732**	**1,550**	**32,731**	**1,315**	**472**	**24**	**22,216**	**3,598**	**842**	**6,854**	**-**	**175**	**16,235**	**1,429**	**22,612**	**2,928**	**140,141**

(*) Licenses to organize national horse races, right and entitlements of receiving mutual betting on national or international organized horse races for a duration of 49 years from 1 January 2018 and onwards have been granted to Türkiye Wealth Fund. The immovable properties, building and facilities thereof that are assigned to Ministry of Food, Agriculture and Livestock serving the purpose of organization of horse race and actually used for this purpose have been granted to the use of Türkiye Wealth Fund. In addition, license to organize Piyango, Hemen-Kazan, Sayısal Loto, Şans Topu, On Numara, Süper Loto and other permitted similar lottery games in accordance with the relevant legislation which are played in return of cash have been granted to Türkiye Wealth Fund for 49 years according to the relevant legislation.

(**) Türk Hava Yolları received slot rights and licenses through acquisition of MNG Teknik and accounted such assets as intangible assets at indefinite useful lives as these assets do not have any expiry date.

NOTE 20 - INTANGIBLE ASSETS AND GOODWILL (Continued)

Brand Impairment Tests:

a) Turkcell Brands

As of December 31, 2025, the Turkcell brand has been tested for impairment using the royalty-free method. The value of the brand is based on revenue forecasts approved by Turkcell management based on financial plans covering five-year periods. Revenue forecasts beyond the five-year periods are calculated using an expected growth rate of 10.0%. Estimated royalty revenues are determined by applying a royalty rate of 3.7% to Turkcell sales forecasts. In order to calculate the recoverable amount of the Turkcell brand, a discount rate of 24.6% was applied to the adjusted cost of equity. The total calculated value in use of the brand is 803.2% higher than the total carrying value and no impairment has been identified (2024: Expected growth rate 10.7%, royalty rate 3.8%, discount rate 26.8%, total carrying value 497.6%).

b) Türk Telekom Brands

As of 31 December 2025, Türk Telekom brand has been tested for impairment using the royalty relief method. Revenue forecasts, considered in the determination of the brand value, are based on the financial plans approved by the management covering a five year period. Beyond the five year period, revenue forecasts have been extrapolated by 11.3% expected growth rate. The royalty income was estimated by applying 3.9% royalty rate to Türk Telekom revenue forecasts. Estimated royalty income determined with the forementioned method has been discounted by using 26.6% discount rate after tax for Türk Telekom brand. Value in use of the brand was calculated 548.0% which is above its carrying value and no impairment has been identified (2024: Expected growth rate 10.8%, royalty rate 3.7%, discount rate 30.1%, total carrying value 300.0%).

NOTE 21 - GOVERNMENT GRANTS

The Group is entitled to the following incentives and rights:

BİST

Within the scope of R&D Law No: 5746, it is stated by the Ministry of Industry and Technology, with a letter dated 2 November 2020, that the MKK's status as R&D Center are to be continued.

Within the scope of R&D Law No: 5746, it is stated by the Ministry of Industry and Technology with a letter dated 6 January 2021, that the Borsa İstanbul's status of R&D Center to be continued.

Within the scope of the R&D Law No: 5746, it is decided that Takasbank has been included in the scope of the R&D Center with the letter dated 20 April 2017 by the Ministry of Industry and Technology. As of 31 December 2025, R&D tax deduction amounting to TRY 631 is considered as deduction in tax calculation (31 December 2024: TRY 460).

Government incentives that permit reduced corporate income tax payments under R&D incentive schemes are accounted for in accordance with TAS 12 "Income Taxes."

NOTE 21 - GOVERNMENT GRANTS (Continued)

THY

Incentive certificates dated, 28 December 2010, 18 December 2014, 9 August 2018, 12 December 2023 and 28 February 2025 were obtained from Ministry of Industry and Technology for investment of aircrafts. These certificates provide the Group with certain advantages on reduction of corporate tax, customs duty exemption and support for insurance premium of employers.

As a result of the revaluation process in tax based financial statements, the tax of TRY 47,116 that may arise in future periods upon the disposal of the revalued fixed assets can be offset against government incentive receivables that have not yet been recognized in the financial statements and remain unused.

As of 31 December 2025, the Group recognized a deferred tax asset amounting to TRY 48,155 (December 31, 2024: None) related to tax incentives obtained from investments totaling TRY 361,570 (December 31, 2024: TRY 245,331) made by THY under investment incentive certificates amounting to TRY 364,242 (December 31, 2024: TRY 363,073). This deferred tax asset has been recognized due to the high probability of utilizing these tax benefits in future periods.

TÜRKSAT

"Domestic and National Positioning System" – This project has been implemented under the name "Geo Satellite-Based Integrated Pilot Regional Positioning and Timing System Project (G-BKZS)" as a result of a protocol signed with the Information and Communication Technologies Authority (BTK). Within the scope of the project, expenses related to R&D processes such as research, development, feasibility studies, integration, laboratory, testing, and analysis of Ku-Band Satellite Navigation Ground Systems and Terrestrial Navigation Stations amount to TRY 20; equipment, instrument, software, and hardware expenses amount to TRY 41; consultancy service fees amount to TRY 2; personnel service expenses amount to TRY 18; and project management and general expenses amount to TRY 9. The total cost of the project, amounting to TRY 90, is being covered by the Directorate of Transportation, Maritime and Communications Research Center (UDHAM) of the T.R. Ministry of Transport and Infrastructure.

"Extended Ku-Band BUC SSPA and LNB Development Project" – This project officially commenced with the Protocol signed on November 1, 2025, with the Directorate of Transportation, Maritime and Communications Research Center (UDHAM) of the T.R. Ministry of Transport and Infrastructure, with a project duration of 24 months. Within the scope of the project, equipment, machinery, instrument, software, and hardware expenses amount to TRY 15; consultancy service expenses amount to TRY 1; personnel service expenses amount to TRY 49; expenses related to R&D processes amount to TRY 58; and project management expenses amount to TRY 15, bringing the total project cost, excluding VAT, to TRY 138. This amount is being covered by UDHAM.

"Ka-Band National Satellite Communication HUB System and Modem Development" – In accordance with the procedures and principles for supporting projects under Article 32 of the Regulation on the Support of Research and Development Projects of the Ministry of Transport and Infrastructure, equipment, instrument, software, and hardware expenses in the project amount to TRY 1. With a contractor's contract fee of TRY 26 including VAT, the total project cost of TRY 27 was covered by the Directorate of Transportation, Maritime and Communications Research Center (UDHAM) of the T.R. Ministry of Transport and Infrastructure. The project was terminated with the Project Closure letter received from UDHAM dated March 18, 2025.

NOTE 21 - GOVERNMENT GRANTS (Continued)

"Satellite-Supported National Intelligent Transportation Systems Automation" – The total cost of this project, including VAT, is TRY 36, and it is likewise covered by the Directorate of Transportation, Maritime and Communications Research Center (UDHAM) of the T.R. Ministry of Transport and Infrastructure. The project was successfully completed with the Project Closure letter received from UDHAM dated 30 January 2025.

"Technopark Income Tax and Stamp Duty Incentive" – Pursuant to Law No. 4691 on Technology Development Zones, Technology Development Zones are areas where universities, industrial companies, and R&D companies are gathered together. The aim is to carry out R&D and innovation activities in these areas and to enable technology transfer among them. With Law No. 6170 Amending the Law on Technology Development Zones, the wages of researchers, software developers, R&D personnel, and support staff working in the zone have been exempted from all types of taxes.

The "Next Generation National Communication Satellite Production Research Project" came into effect with the Protocol signed on 8 August 2025, with the Directorate of Transportation, Maritime and Communications Research Center (UDHAM) of the T.R. Ministry of Transport and Infrastructure. This project is supported by UDHAM pursuant to the provision in Article 3 of Law No. 5746 on Supporting Research, Development and Design Activities, which states that "...all R&D and innovation expenditures carried out by those benefiting from fund support provided by public institutions and organizations for the purpose of supporting R&D projects fall within the scope of this law...". Personnel expenses in the project amount to TRY 49. The total project cost of TRY 49 will be covered by UDHAM.

Türksat management has benefited from government incentives and grants within the scope of the T6A satellite. The related incentive amount has been recognized as deferred income, distinguishing between short-term and long-term portions, amounting to TRY 57 (short-term) and TRY 1,212 (long-term), and will be recognized in the income statement over the useful life of the satellite.

ETİ MADEN

Within the scope of the investment incentive certificate No. 521489 dated 27 September 2019, obtained for the carbide production facility investment to be established in Balıkesir province, TRY 1,826 (31 December 2024: TRY 1,800) of the investment expenditures had been actually completed as of December 31, 2025. As of December 31, 2025, the investment contribution amount earned due to the investment expenditures actually incurred is TRY 1,209 (31 December 2024: TRY 1,260), and a deferred tax asset has been recognized over the tax advantages amounting to TRY 1,152 (31 December 2024: TRY 1,203), which have not yet been utilized and are considered highly probable to be utilized in future periods.

NOTE 21 - GOVERNMENT GRANTS (Continued)

TPAO

The natural gas mining investment to be carried out by Türkiye Petrolleri Anonim Ortaklığı in the Sakarya Gas Field located in Zonguldak Province has obtained an Investment Incentive Certificate within the framework of the procedures and principles specified in the decision on the Provision of Project-Based Government Support for Investments, which was put into effect by the Council of Ministers Decision No. 2016/9495 dated 17 October 2016, pursuant to Article 80 of Law No. 6745 dated 20 August 2016, on Supporting Investments on a Project Basis and Amending Certain Laws and Decree Laws, under the scope of Presidential Decree No. 2022/5450 dated 19 April 2022. The investment period is 11 years from the start date, and if the investment cannot be completed within the envisaged period, an additional period of up to half of this duration may be granted by the Ministry of Industry and Technology. Within the scope of this incentive, investment expenditures have been made for onshore production facility equipment, subsea production systems, seabed transmission systems, drilling, and well completion equipment. Under this certificate, the company benefits from incentives including a 100% investment contribution rate, 100% corporate tax reduction, customs duty exemption, and VAT exemption.

As of 31 December 2025, the Group has recognized, as a deferred tax asset, the tax advantages amounting to TRY 145,178 (December 31, 2024: TRY 132,198) obtained by TPAO on investments amounting to TRY 145,178 (December 31, 2024: TRY 132,198) realized within the scope of the investment incentive certificate totaling TRY 145,178 (December 31, 2024: TRY 145,178), as it is considered highly probable that these advantages will be utilized in future periods.

TÜRK ALTIN

6% of the income tax calculated over the Employer's Share of Social Security Premiums for personnel working at the ore processing facility in Mastra-Gümüşhane operated by Türk Altın is covered by the Treasury within the scope of the "Regional Social Security Premium Incentive" No. 56486. In addition, the company benefits from a 5% employer's share social security premium incentive under Law No. 5510 on "Social Insurance and General Health Insurance" at all of its workplaces.

Türk Altın also benefits from investment incentives at its İzmir-Çukuralan, Kayseri-Himmetdede, Eskişehir-Kaymaz, and Ağrı-Mollakara facilities, as well as at the Ankara Central Solar Power Plant (Electricity Generation, Transmission and Distribution). Under the relevant investment incentive certificates, the investment contribution rate is 40% and the corporate tax reduction rate is 80% for the İzmir-Çukuralan, Kayseri-Himmetdede, and Eskişehir-Kaymaz facilities; the investment contribution rate is 50% and the corporate tax reduction rate is 90% for the Ağrı-Mollakara facility; and the investment contribution rate is 30% and the corporate tax reduction rate is 70% for the Ankara Central Solar Power Plant (Electricity Generation, Transmission and Distribution) investment incentive. Investments commenced on 27 March 2018 for the incentive used in the İzmir-Çukuralan region, on 21 December 2017 for the incentive used in the Himmetdede region, on 6 October 2022 for the incentive used in the Ağrı-Mollakara region, on 8 May 2023 for the incentive used in the Kaymaz region, and on 17 March 2023 for the incentive used for the Ankara Central Solar Power Plant.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 22 - RIGHT OF USE ASSETS AND LEASE LIABILITIES

31 December 2025 movement for the right of use assets accounted for Group's leases is as follows:

	1 January 2025	Additions	Disposals	Transfers from construction in progress	Transfers to property, plant and equipment (*)	Effects of changes in the scope of consolidation	Translation differences	31 December 2025
Cost								
Land	4	-	-	-	-	-	-	**4**
Buildings	45,339	14,473	(2,148)	-	-	15	11,505	**69,184**
Property, plant and equipment	235	768	-	-	-	-	4	**1,007**
Vehicles	10,940	5,764	(2,570)	-	-	64	195	**14,393**
Fixtures	17	15	-	-	-	-	-	**32**
Aircraft and spare engine	820,342	165,957	(5,639)	947	(67,597)	-	189,145	**1,103,155**
Satellite capacity and accommodation	5,686	2,253	(80)	-	-	-	-	**7,859**
Network equipment	805	264	(2)	-	-	-	23	**1,090**
Right of passage	3,754	3,950	(15)	-	-	-	26	**7,715**
License	274	148	-	-	-	-	-	**422**
Field rent	8,178	3,572	(156)	-	-	-	1,504	**13,098**
Land improvements	6,764	1,543	-	-	-	-	-	**8,307**
	902,338	**198,707**	**(10,610)**	**947**	**(67,597)**	**79**	**202,402**	**1,226,266**
Accumulated Depreciation								
Buildings	(9,563)	(5,510)	1,848	-	-	(12)	(1,203)	**(14,440)**
Property, plant and equipment	(93)	(117)	-	-	-	-	-	**(210)**
Vehicles	(4,020)	(4,660)	1,562	-	-	(26)	(91)	**(7,235)**
Fixtures	(4)	(23)	-	-	-	-	-	**(27)**
Aircraft and spare engine	(223,454)	(54,460)	5,009	-	29,539	-	(48,364)	**(291,730)**
Satellite capacity and accommodation	(3,117)	(1,207)	77	-	-	-	-	**(4,247)**
Network equipment	(682)	(226)	1	-	-	-	(19)	**(926)**
Right of way	(3,091)	(2,579)	11	-	-	-	(14)	**(5,673)**
License	(197)	(144)	-	-	-	-	-	**(341)**
Field rent	(5,578)	(3,282)	86	-	-	-	(1,288)	**(10,062)**
Land improvements	(1,629)	(817)	-	-	-	-	-	**(2,446)**
	(251,428)	**(73,025)**	**8,594**	**-**	**29,539**	**(38)**	**(50,979)**	**(337,337)**
Net book value	**650,910**	**125,682**	**(2,016)**	**947**	**(38,058)**	**41**	**151,423**	**888,929**

(*) Transfers mainly consist of aircrafts that have been acquired by Group through leases with end of their lease liabilities.

The 31 December 2024 movement for the right of use assets accounted for Group's leases is as follows:

	1 January 2024	Additions	Disposals	Transfers from contruction in progress	Transfers to property, plant and equipment (*)	Effects of changes in the scope of consolidation	Translation differences	31 December 2024
Cost								
Land	1	3	-	-	-	-	-	**4**
Buildings	30,208	7,577	(2,247)	-	29	28	9,744	**45,339**
Property, plant and equipment	366	105	(236)	-	-	-	-	**235**
Vehicles	3,293	8,963	(1,433)	-	-	16	101	**10,940**
Fixtures	14	6	(9)	-	-	-	6	**17**
Aircraft and spare engine	657,917	91,660	(6,425)	656	(57,500)	-	134,034	**820,342**
Satellite capacity and accommodation	4,395	1,403	(112)	-	-	-	-	**5,686**
Network equipment	618	188	(5)	-	-	-	4	**805**
Right of passage	1,441	1,346	(41)	-	-	-	1,008	**3,754**
License	94	115	(4)	-	-	-	69	**274**
Field rent	5,990	2,077	(112)	-	-	-	223	**8,178**
Land improvements	5,702	1,063	(1)	-	-	-	-	**6,764**
	710,039	**114,506**	**(10,625)**	**656**	**(57,471)**	**44**	**145,189**	**902,338**
Accumulated Depreciation								
Buildings	(5,610)	(4,419)	443	-	(16)	(11)	50	**(9,563)**
Property, plant and equipment	(188)	(21)	116	-	-	-	-	**(93)**
Vehicles	(1,994)	(3,077)	1,054	-	-	(1)	(2)	**(4,020)**
Fixtures	(10)	(3)	9	-	-	-	-	**(4)**
Aircraft and spare engine	(176,858)	(42,487)	6,425	-	25,275	-	(35,809)	**(223,454)**
Satellite capacity and accommodation	(2,372)	(832)	87	-	-	-	-	**(3,117)**
Network equipment	(518)	(168)	4	-	-	-	-	**(682)**
Right of way	(914)	(1,194)	24	-	-	-	(1,007)	**(3,091)**
License	(94)	(99)	-	-	-	-	(4)	**(197)**
Field rent	(4,116)	(1,345)	50	-	-	-	(167)	**(5,578)**
Land improvements	(1,082)	(547)	-	-	-	-	-	**(1,629)**
	(193,756)	**(54,192)**	**8,212**	**-**	**25,259**	**(12)**	**(36,939)**	**(251,428)**
Net book value	**516,283**	**60,314**	**(2,413)**	**656**	**(32,212)**	**32**	**108,250**	**650,910**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 22 - RIGHT OF USE ASSETS AND LEASE LIABILITIES (Continued)

The 31 December 2025 and 2024 movement for the lease liabilities accounted for Group's leases is as follows:

	2025	2024
1 January	**452,570**	**365,605**
Effects of changes in the scope of consolidation	48	-
Remeasurement effect	825	(72)
Additions for the period	198,707	114,506
Principal and interest paid during the period	(128,482)	(95,473)
Exchange rate difference (profit)/loss	52	25
Currency translation differences	146,786	63,356
Other	9,541	4,623
31 December	**680,047**	**452,570**

	31 December 2025	31 December 2024
Short-term lease liabilities	94,589	69,566
Long-term lease liabilities	585,458	383,004
Total lease liabilities	**680,047**	**452,570**

As of 31 December 2025 and 2024, the discount rates of lease liabilities in terms of currency are as follows:

31 December 2025

Currency	Maturity	Discount rate
TRY	1-49 Years	14.00%-50.00%
USD	1-45 Years	3.25%-11.60%
EUR	1-45 Years	1.00%-11.00%

31 December 2024

Currency	Maturity	Discount rate
TRY	1-46 Years	9.00%-50.00%
USD	1-45 Years	2.90%-11.60%
EUR	1-45 Years	0.30%-11.00%

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 22 - RIGHT OF USE ASSETS AND LEASE LIABILITIES (Continued)

Maturity analysis of lease liabilities are as follows:

	31 December 2025	31 December 2024
Up to 1 year	94,589	69,566
Between 1-2 years	83,500	58,721
Between 2-3 years	75,941	61,300
Between 3-4 years	65,897	42,939
Between 4-5 years	62,448	37,757
More than 5 years	297,672	182,287
Total	**680,047**	**452,570**

NOTE 23 - BORROWINGS

	31 December 2025	31 December 2024
Short- term borrowings	**233,892**	**144,962**
Bank borrowings	220,325	141,520
Debt securities issued	126	3,442
Other short-term financial borrowings	13,441	-
Current portion of long-term borrowings	**107,303**	**159,433**
Bank borrowings (*)	94,410	133,382
Debt securities issued	12,786	25,944
Other (**)	107	107
Total short-term borrowings	**341,195**	**304,395**
Bank borrowings (*)	528,903	231,252
Debt securities issued	235,167	61,109
Other (**)	695,924	518,534
Long-term borrowings	**1,459,994**	**810,895**
Total	**1,801,189**	**1,115,290**

(*) The portion of bank borrowings guaranteed by the Treasury amounts to TRY 8,868 (31 December 2024: TRY 38,786)

(**) As of December 31, 2025, the outstanding debt balance comprises borrowings obtained from the Treasury.

(Amounts expressed in millions of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 23 - BORROWINGS (Continued)

The distribution of the Group’s borrowing to the Ministry of Treasury for loan transactions as of 31 December 2025 and 31 December 2024 is as follows :

Currency	Maturity	Original Currency	31 December 2025	31 December 2024
(1) TRY	8 May 2030	180,268	180,268	132,971
(2) TRY	23 February 2033	79,377	79,377	59,736
(2) TRY	21 February 2035	79,377	79,377	59,736
(2) TRY	18 February 2037	79,377	79,377	59,736
(3) EUR	25 February 2032	59	2,960	2,024
(3) TRY	23 February 2033	2,452	2,452	1,845
(3) TRY	21 February 2035	2,452	2,452	1,845
(3) TRY	18 February 2037	2,452	2,452	1,845
(4) TRY	21 March 2029	75,830	75,830	67,836
(4) TRY	21 April 2027	167,102	167,102	107,872
(5) TRY	21 December 2029	20,607	20,607	20,607
(5) EUR	21 December 2029	75	3,777	2,588
Total			**696,031**	**518,641**

(1) This consists of TL 21,000 in special issue government domestic debt securities issued by the Ministry of Treasury in connection with the Fund's lending transaction dated May 20, 2020, with a 10-year maturity, zero-coupon, and indexed to the CPI (Consumer Price Index).

(2) This consists of TL 48,600 in special issue government domestic debt securities issued by the Ministry of Treasury in connection with the Fund's lending transaction dated March 9, 2022, with maturities of 11-13 and 15 years respectively, indexed to the CPI (Consumer Price Index), and zero-coupon.

(3) This consists of TL 1,500 in special issue government domestic debt securities ("DİBS") with maturities of 11-13-15 years, indexed to the CPI (Consumer Price Index) and zero-coupon, and EUR 89 in special issue DİBS with a 10-year maturity and no interest payments, both issued by the Ministry of Treasury in connection with the Fund's lending transaction dated March 9, 2022.

(4) This consists of TL 55,850 in special issue government domestic debt securities ("DİBS") with a 4-year maturity, indexed to TLREF, and TL 55,850 in special issue DİBS with a 6-year maturity bearing fixed interest payments, both issued by the Ministry of Treasury in connection with the Fund's lending transaction dated 29 March 2023.

(5) This consists of EUR 100 in special issue government domestic debt securities with a 5-year maturity bearing no interest payments, and TL 20,500 in special issue government domestic debt securities with a 5-year maturity, coupon-bearing, with TLREF interest payments, both issued by the Ministry of Treasury in connection with the Fund's lending transaction dated 27 December 2024.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 23 - BORROWINGS (Continued)

Maturity analysis of borrowings as of 31 December 2025 and 2024 is as follows:

	31 December 2025	**31 December 2024**
Up to 1 year	341,195	304,395
Between 1-2 years	122,923	41,828
Between 2-3 years	342,977	34,439
Between 3-4 years	225,346	188,206
Between 4-5 years	182,363	141,949
More than 5 years	586,385	404,473
Total	**1,801,189**	**1,115,290**

Movement of borrowings is as follows:	**2025**	**2024**
1 January	1,115,290	960,866
Effects of changes in the scope of consolidation	25	-
Principal additions	1,079,136	448,782
Interest and principal payments	(809,130)	(608,279)
Interest accruals	250,778	206,742
Foreign currency exchange effect	149,210	98,125
Capitalized interest	9,921	3,397
Capitalized foreign exchange	2,707	3,571
Net changes in fair value	3,252	2,086
31 December	**1,801,189**	**1,115,290**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 24 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Other current and non-current provisions

Other current provisions	**31 December 2025**	**31 December 2024**
Insurance technical provisions (net)	139,501	110,032
General provision for non-cash loans	-	6,469
Provision for lawsuit and penalties	7,475	4,132
Provision for uncompensated and unliquidated non-cash loans	5,067	4,227
Other	15,484	5,614
Total	**167,527**	**130,474**

Other non-current provisions	**31 December 2025**	**31 December 2024**
Provision for well abandonment obligations	42,888	24,256
Insurance technical provisions (net)	11,942	5,500
General provision for non-cash loans	10,572	2,290
Aircraft purchase and maintenance provisions	5,737	3,778
Obligations for dismantling, removing and site restoration	2,466	1,685
Provision for lawsuit and penalties	607	420
Other	3,501	800
Total	**77,713**	**38,729**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 24 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Details of provisions are as follows:

	Insurance technical provisions (net)	Provision for uncompensated and unliquidated non-cash loans	Provision for lawsuit and penalties	General provision for non-cash loans	Provision for well abandonment obligations	Aircraft purchase and maintanent obligations	Obligations for dismantling, removing and site restoration	Other	Total
Balance at 1 January 2025	115,532	4,227	4,552	8,759	24,256	3,778	1,685	6,414	**169,203**
Impact of the change of consolidation	-	-	2	-	-	-	-	74	**76**
Additional provision	35,911	840	4,264	1,813	7,691	842	92	15,441	**66,894**
Payments	-	-	(271)	-	-	-	(63)	(3,216)	**(3,550)**
Change in estimations	-	-	-	-	-	-	367	272	**639**
Foreign currency translation differences	-	-	46	-	5,401	1,117	122	-	**6,686**
Discount expenses	-	-	-	-	5,540	-	263	-	**5,803**
Provision cancellations	-	-	(511)	-	-	-	-	-	**(511)**
Balance at 31 December 2025	**151,443**	**5,067**	**8,082**	**10,572**	**42,888**	**5,737**	**2,466**	**18,985**	**245,240**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 24 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	Insurance technical provisions (net)	Provision for uncompensated and unliquidated non-cash loans	Provision for lawsuit and penalties	General provision for non-cash loans	Provision for well abandonment obligations	Aircraft purchase and maintanent obligations	Obligations for dismantling, removing and site restoration	Other	Total
Balance at 1 January 2024	73,005	3,385	3,013	9,158	18,001	2,498	1,268	10,026	**120,354**
Impact of the change of consolidation	686	-	397	-	-	-	-	1,307	**2,390**
Additional provision	41,841	600	1,768	603	972	727	87	2,561	**49,159**
Payments	-	-	(374)	-	-	-	(24)	(7,518)	**(7,916)**
Change in estimations	-	-	-	-	-	-	154	435	**589**
Foreign currency translation differences	-	361	14	-	3,511	553	(14)	73	**4,498**
Discount expenses	-	-	-	-	1,772	-	275	26	**2,073**
Provision cancellations	-	(119)	(266)	(1,002)	-	-	(61)	(496)	**(1,944)**
Balance at 31 December 2024	**115,532**	**4,227**	**4,552**	**8,759**	**24,256**	**3,778**	**1,685**	**6,414**	**169,203**

NOTE 24 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Contingent Liabilities

Ongoing litigation process regarding Halkbank

On 15 October 2019, the United States Attorney's Office for the Southern District of New York under the U.S. Department of Justice indicted the Halkbank by repeating the allegations set forth in the case filed against the former executive of the Halkbank due to the Iranian sanction violations.

The Halkbank's personal jurisdiction and recusal objections were denied by the District Court on 5 December 2019, and the same objections the Halkbank appealed with the U.S. Court of Appeals for the Second Circuit ("Second Circuit") were denied on 21 February 2020.

At the hearing held in the District Court on 30 June 2020; the schedule was determined regarding the motion to recuse, discovery motions, and filings of other motions. It was decided that the jury trials would begin on 1 March 2021 for which the schedule was revised on 26 October 2020. Accordingly, the jury trials are scheduled to be held on 3 May 2021. In this regard, the Halkbank filed its recusal motion on 14 July 2020 and its other motions to dismiss the indictment on 10 August 2020 at the District Court.

Halkbank's recusal motion was denied by the District Court on 24 August 2020 and the Second Circuit on 23 December 2020. District Court denied Halkbank's motion to dismiss the indictment on 1 October 2020. The Bank appealed to the Second Circuit against the dismissal of its motion to dismiss the indictment on the grounds that the Halkbank entitled to sovereign immunity under both the FSIA (Foreign Sovereign Immunity Act) and common law.

The Second Circuit ruled to stay the Halkbank's proceedings at the District Court on 23 December 2020, and also agreed to hear the appeal on the merits. Following the oral argument presented on 12 April 2021, the Second Circuit denied the Halkbank's appeal on 22 October 2021.

Because the Halkbank would escalate its sovereign immunity appeal with the Supreme Court of the United States, the Second Circuit ruled on 14 January 2022 to stay the District Court proceedings until the Supreme Court process is completed.

Following the oral argument at the U.S. Supreme Court on 17 January 2023, the opinion was announced on 19 April 2023. The Supreme Court ruled that FSIA applied only in civil cases and not in criminal cases. On the other hand, the Supreme Court ruled that the Second Circuit did not fully consider the Halkbank's sovereign immunity status under common law and remanded the case to the Court of Appeals for reconsideration.

Upon further review, with its decision dated 22 October 2024 the Second Circuit rejected the Halkbank's common law immunity request and affirmed the District Court's order. On 12 December 2024, the Halkbank filed a motion to stay the Second Circuit's mandate, which was granted on 18 December 2024, and the mandate was stayed pending the filing and disposition of the Halkbank's petition for a writ of certiorari to the U.S. Supreme Court.

NOTE 24 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Contingent Liabilities (Continued)

The Halkbank filed its petition for a writ of certiorari with the U.S. Supreme Court on 5 May 2025. The Halkbank's petition for a writ of certiorari was denied by the U.S. Supreme Court on 6 October 2025. Accordingly, the legal process regarding the Halkbank's objections under sovereign immunity was completed.

As a result of efforts to reach a legal and reasonable settlement within the framework of agreements between the U.S. and Türkiye; concerning the criminal charges brought against the Halkbank on 15 October 2019 in the U.S. it was approved by the Halkbank's Board of Directors that a Deferred Prosecution Agreement ("DPA") in the Halkbank's favor be signed with the U.S. Justice Department's U.S. Attorney's Office for the Southern District of New York in order to conclude the case by means of settlement.

The DPA signed between the SDNY and the Halkbank, in order to conclude the criminal charges brought against the Bank in the U.S. by means of settlement, was discussed by the U.S. District Court for the Southern District of New York and has gone into effect on 11 March 2026.

Within the scope of that settlement agreement the Halkbank will not be admitting to any criminal wrongdoing, nor will any judicial or administrative fines be paid. The Compliance Report required by the DPA signed between the U.S. Attorney's Office for the Southern District of New York and the Halkbank on 11 May 2026 was prepared by the expert entity and submitted in a timely manner to the U.S. Attorney's Office for the Southern District of New York, and U.S. Treasury Department's Office of Foreign Assets Control (OFAC). Following the submission of the Compliance Report, the U.S. Attorney's Office for the Southern District of New York and the Halkbank submitted the jointly signed letter for the dismissal of the criminal case to the U.S. District Court for the Southern District of New York on 10 June 2026. As per the conference held in the U.S. District Court for the Southern District of New York on 17 June 2026, the Court approved the dismissal of the criminal case against the Halkbank in the U.S. Thus, the criminal case against the Halkbank in the U.S., which had been ongoing for years, has been definitively and conclusively closed.

OFAC officially notified the Halkbank that they closed the administrative processes regarding the Bank without taking any further steps with the "No Action Letter" of 4 March 2026 which they sent to the Halkbank's legal counsel firm in the U.S.

In addition, a civil case (the Owens or first civil case) was filed by a group of plaintiffs against the Halkbank on 27 March 2020 with a claim for damages in the Southern District of New York Court "on the grounds that they (the plaintiffs) could not collect their judgments from Iran due to violations of sanctions" and it was served to the Halkbank 's attorneys on 1 July 2020. The Halkbank filed a motion at the District Court to dismiss the complaint, and thus to dismiss the case on 25 September 2020, and the case was fully briefed on 16 December 2020. The District Court conditionally granted Halkbank's motion to dismiss on the grounds of forum non conveniens on 16 February 2021, and the case was closed at the District Court on 3 March 2021.

NOTE 24 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Contingent Liabilities (Continued)

The Plaintiffs appealed to the decision by taking the District Court's decision to the Second Circuit on 30 June 2021. After the case is fully briefed, the oral arguments were heard before the Second Circuit on 13 October 2022. The Second Circuit ruled in the Halkbank's favor and dismissed the lawsuit seeking to satisfy judgements on 2 May 2023. Plaintiffs applied to the US Supreme Court on 30 August 2023 for a writ of certiorari in order to appeal the Second Circuit decision. The Supreme Court reviewed the application on 5 January 2024 and announced its decision to reject the plaintiff's appeal on 8 January 2024. Accordingly, the Owens case brought against the Bank on 27 March 2020 was conclusively dismissed.

Finally, on 26 July 2023, 151 plaintiffs filed a complaint in the U.S. District Court for the Southern District of New York and a new civil case (the Hughes or second civil case) against the Halkbank seeking to satisfy judgments similar to the Owens case.

The service was processed on 1 October 2023. According to the complaint, the plaintiffs seek judgments decision from the Court to the fullest extent permitted by law, attempting to establish a connection between certain aggrievements they have suffered in various countries and the supposed allegations in the current criminal case against the Bank, which was filed on 15 October 2019.

The Halkbank filed its motion to dismiss with the District Court on 22 December 2023 and the fully briefing is ended on 22 April 2024. On 1 May 2024, the district court in an appeal against the Government's request, ruled to stay all judicial proceedings in the civil case until the conclusion of the criminal proceedings against the Halkbank. Therefore, the Hughes case is stayed until the final decision is made in the criminal case against the Halkbank. The proceedings of both the criminal case and the civil case are closely monitored by the Halkbank through U.S. law firms with relevant expertise. Following the dismissal of the criminal case in the Halkbank's favor, there has been no further development regarding the *Hughes* civil case so far.

Even though the uncertainty as to the processes of the Hughes case continue, as a result of the assessment made by the Halkbank's management the afore-mentioned case is not expected to affect the Fund's consolidated financial statements.

NOTE 24 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Contingent Liabilities (Continued)

Ongoing litigation process regarding Koza Ltd.

Türk Altın İşletmeleri A.Ş. ("Türk Altın"), one of the Group's subsidiaries, incorporated Koza Ltd., a UK-based company wholly owned by Koza Altın, on 31 March 2014 to undertake mining ventures abroad. Pursuant to the resolutions adopted at the General Assembly held on 11 September 2015—registered in the UK on 2 November 2015—and the contemporaneous amendment to the articles of association, two Class A shares, each with a nominal value of 1 British pound sterling (GBP), were created and control of the company passed to the Class A shareholders; accordingly, it was concluded that Türk Altın lost control over Koza Ltd., and Koza Ltd. was removed from the scope of consolidation.

Legal proceedings were initiated contesting the amendment to the articles of association, the creation of preferred shares and the changes to the board of directors, and such proceedings are ongoing before the London courts. In case file No. 2017/349 E. before the Ankara 10th Commercial Court of First Instance, by decision dated 23 January 2019, it was ordered—subject to the right of appeal to the regional court within two weeks of service—that GBP 60 together with interest accruing from 1 September 2015 pursuant to Article 4/a of Law No. 3095 be collected from the defendants and paid to Koza Altın. The defendants sought regional appellate review (istinaf) of this decision, and the 21st Civil Chamber of the Ankara Regional Court of Appeal, by decision Nos. 2019/699 E. and 2019/1189 K., ruled on procedural grounds that the appeal was deemed not to have been filed. The defendants appealed (temyiz) this ruling to the Court of Cassation, which quashed the file on procedural grounds. By an additional decision, the Ankara 10th Commercial Court of First Instance again ruled that the defendants' regional appeal was deemed not to have been filed. The defendants appealed this ruling. In case No. 2022/727 E., the 21st Civil Chamber of the Ankara Regional Court of Appeal dismissed the defendants' appeal on the merits. The defendants then filed an appeal to the Court of Cassation, and Türk Altın submitted a response brief. By its decision dated 6 May 2024 (Case No. 2024/2772, Decision No. 2024/3573), the 11th Civil Chamber of the Court of Cassation affirmed the decision of the Regional Court of Appeal. The uncertainties regarding the outcomes of the aforementioned legal proceedings and their potential impact on the consolidated financial statements persist.Furthermore, as stated in Türk Altın's material event disclosure dated 19 August 2024, a resolution was passed to liquidate Koza Ltd., and liquidation proceedings officially commenced before the London courts as of 16 August 2024. The legal process related to the liquidation remains ongoing before the London courts.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 25 - PAYABLES RELATED TO EMPLOYEE BENEFITS

Payables related to employee benefits	**31 December 2025**	**31 December 2024**
Due to personnel	19,605	19,090
Social security premiums payable	8,752	6,762
Other	139	76
Total	**28,496**	**25,928**

Current provision for employee benefits	**31 December 2025**	**31 December 2024**
Provision for unused vacations	17,543	10,623
Provision for bonus	12,754	8,725
Other	654	378
Total	**30,951**	**19,726**

The movement of unused vacation is as follows:

	2025	**2024**
1 January	**10,623**	**5,344**
Effects of changes in the scope of consolidation	13	-
Utilized during the year	(45,004)	(27,915)
Additions	51,911	33,194
31 December	**17,543**	**10,623**

The movement of bonus provision is as follows:

	2025	**2024**
1 January	**8,725**	**6,642**
Paid during the year	(9,532)	(7,613)
Additions	13,561	9,696
31 December	**12,754**	**8,725**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 25 - PAYABLES RELATED TO EMPLOYEE BENEFITS (Continued)

Non-current provision for employee benefits	**31 December 2025**	**31 December 2024**
Provision for Employee Termination Benefits	62,764	52,256
Other	945	589
Total	**63,709**	**52,845**

Movements in the provision for employment termination benefits for the years ended 31 December 2025 and 2024 are as follows:

	2025	**2024**
1 January	**52,256**	**37,673**
Effect of changes in the scope of consolidation	40	212
Service charge for the period	5,617	4,484
Interest cost	13,957	9,714
Termination benefits paid	(6,521)	(7,045)
Foreign currency translation difference	(350)	(3,518)
Actuarial gain	(2,235)	10,736
31 December	**62,764**	**52,256**

Retirement benefits

According to actuarial reports prepared within the scope of Law No. 5754 published in the Official Gazette No. 26870 dated May 8, 2008, it has been determined, based on actuarial studies conducted as of 31 December 2025 and 2024, that there is no technical (actuarial) deficit for Türkiye Halk Bankası AŞ Emekli Sandığı Vakfı and T.C. Ziraat Bankası ve Türkiye Halk Bankası Mensupları Emekli ve Yardım Sandığı Vakfı.

The liability related to benefits to be transferred to SSI as of the balance sheet date is expected payment to be made to SSI during the transfer. Actuarial parameters and results used in calculation of this amount reflects the Act's, dated 17 April 2008 numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, principles related to pension and health benefits to be transferred to SSI.

In the actuarial report, which is prepared as of 31 December 2025, the discount rate was used as 9.80 % in the calculation of the retirement and health benefits to be transferred to the SSI (31 December 2024: 9.80%).

The CSO 1980 Female / Male mortality table is used to represent the expected mortality rates before and after retirement.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 25 - PAYABLES RELATED TO EMPLOYEE BENEFITS (Continued)

The fair values of the bank's pension fund assets and liabilities as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Net present value of transferrable retirement and health contributions	272,829	156,405
General and administrative expenses	(2,828)	(1,981)
Present value of pension medical benefits transferable to SSF	(141,126)	(97,023)
Fair value of plan assets	105,658	62,906
Asset surplus over transferable benefits	234,533	120,307
Asset surplus over total benefits	234,533	120,307

The fair values of fund assets as 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Bank placements	33,951	22,946
Marketable securities	39,572	23,230
Property plant and equipment	10,082	8,483
Other	22,053	8,247
Total	**105,658**	**62,906**

NOTE 26 - INCOME TAX

	31 December 2025	31 December 2024
Corporate tax expense	141,355	65,021
Taxes paid	(97,659)	(49,590)
Current tax assets/(liabilities)-net	**43,696**	**15,431**

	1 January - 31 December 2025	1 January - 31 December 2024
Current year tax (expense)	(141,355)	(65,021)
Deferred tax (expense)/ income	(301)	31,603
Tax expense	**(141,656)**	**(33,418)**

NOTE 26 - INCOME TAX (Continued)

The Corporation tax rate is 25% in Türkiye in 2025 (30% for Finance sector) (2024: 25%, 30% for Finance sector). Corporation tax is payable on the total income of the company after adjusting for certain disallowable expenses, income not subject to tax and allowances.

In accordance with the Law No 7440 on the "Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette on 12 March 2023, an additional tax of 10% is to be calculated over the exemptions and deductions subject to corporate income deduction in accordance with the regulations in the laws, by being shown in the corporate tax return for the year 2022 and without being associated with the period's income; and an additional tax of 5% is to be calculated over the exempted earnings.

Within the scope of Law No. 7524, published on 2 August 2024, amendments were made to the corporate tax exemption applicable to the earnings of REITs (Real Estate Investment Trusts) and REIFs (Real Estate Investment Funds) as regulated under the Corporate Tax Law. Accordingly, provided that such companies distribute at least 50% of their earnings as dividends, corporate tax will be calculated at a minimum tax rate of 10% effective from January 1, 2025; in cases where such dividend distribution is not made, the earnings of these companies will be subject to tax at a rate of 30%.

No withholding tax is applied on dividends paid to companies earning income through a workplace or permanent representative in Turkey, or to companies resident in Turkey. With the Presidential Decree published in the Official Gazette dated 22 December 2024, and numbered 32760, certain withholding tax rates set out in Articles 15 and 30 of Corporate Tax Law No. 5520 were revised. In this context, the withholding tax rate applied to dividend payments other than those made to non-resident (limited liability) companies earning income through a workplace or permanent representative in Turkey and to companies resident in Turkey, which was previously 10%, was changed to 15% by the Presidential Decree published in the Official Gazette dated 22 December 2024 and numbered 32760. In applying the withholding tax rates on profit distributions made to non-resident companies and individuals, the provisions set out in the relevant Double Taxation Avoidance Agreements are also taken into consideration. The addition of profit to capital is not considered a profit distribution and is not subject to withholding tax.

The "Law on Amendments to Tax Laws and Certain Laws and Decree Law No. 631," which was adopted by the Grand National Assembly of Turkey (TBMM) on 4 December 2025 and enacted as Law No. 7566, entered into force through Article 2 of the law published in the Official Gazette dated 19 December 2025 and numbered 33112, reinstating the fourth provisional (advance) tax period declaration. Corporations calculate provisional tax on their four-month financial profits at the corporate tax rate applicable for that year and declare and pay it by the 17th day of the second month following that period. Provisional tax paid during the year relates to that year and is offset against the corporate tax calculated on the corporate tax return to be filed in the following year.

The exemption applicable to real estate held for at least two years under the Corporate Tax Law was abolished by Article 19 of Law No. 7456, published in the Official Gazette dated 15 July 2023 and numbered 32249. Article 22 of the law states that "...the 50% rate referred to in subparagraph (e) of the first paragraph of Article 5 of this Law shall be applied as 25% for gains from the sale of immovable property made after the effective date of this article." Accordingly, it has been clarified that the exemption rate is 50% for sales made before 15 July 2023, and 25% for sales made thereafter.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 26 - INCOME TAX (Continued)

The corporate tax rate to be assessed on taxable corporate income is calculated on the remaining tax base after adding back expenses that are not deductible from the tax base in determining commercial income, and after deducting tax-exempt income, non-taxable income, and other deductions (including prior year losses, if any, and investment allowances used, if elected). Losses may be carried forward for a maximum of 5 years to be deducted from taxable profits arising in future years. However, losses incurred cannot be deducted retroactively from profits generated in prior years.

Turkey began adopting the OECD's Global Minimum Top-up Corporate Tax regulations (Pillar Two) through a draft law submitted to the TBMM on July 16, 2024. These regulations entered into force through Law No. 7524, published in the Official Gazette dated 2 August 2024 and numbered 32620. The implementation in Turkey is largely aligned with the OECD's Pillar Two Model Rules, showing similarities in terms of scope, exemptions, consolidation, tax calculations, and filing deadlines. The "General Communiqué on the Implementation of Domestic and Global Minimum Top-up Corporate Tax" was published in the Official Gazette dated 26 December 2025 and numbered 33119. These changes have had no impact on the Group's financial position or performance.

Furthermore, Article 32/C titled "Domestic Minimum Corporate Tax" was added to the Corporate Tax Law through Article 36 of Law No. 7524. Under this regulation regarding the domestic minimum corporate tax application, the corporate tax calculated within the framework of Articles 32 and 32/A shall not be less than 10% of corporate income before the application of deductions and exemptions. This regulation entered into force on its publication date, to be applied to corporate income for the 2025 taxation period. Communiqué No. 23 on Corporate Tax was published in the Official Gazette dated 28 September 2024 and numbered 32676 regarding this matter.

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between its legal financial statements prepared for tax purposes and its financial statements prepared in accordance with TFRS (Turkish Financial Reporting Standards). These differences generally arise from certain income and expense items being recognized in different periods in the tax-based financial statements compared to the TFRS-based financial statements, and such differences are set out below. The portion of the 2025 temporary differences that will create a tax effect has been calculated using a tax rate of 25% for non-financial sector entities and 30% for financial sector entities.

Since businesses in Turkey are not able to file consolidated tax returns, deferred tax assets of subsidiaries are not offset against deferred tax liabilities of other subsidiaries and are presented separately.

	31 December 2025	31 December 2024
Deferred tax assets	308,592	267,729
Deferred tax liabilities	(46,653)	(38,366)
Deferred tax, net	**261,939**	**229,363**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 26 - INCOME TAX (Continued)

	31 December 2025 Total temporary differences	31 December 2025 Deferred tax assets / liabilities	31 December 2024 Total temporary differences	31 December 2024 Deferred tax assets / liabilities
Property, plant and equipment and investment properties	149,374	(34,749)	1,037	2,802
Passenger flight liabilities	30,732	(7,683)	29,649	(6,680)
Financial assets	(7,234)	2,113	(23,881)	7,352
Unused carryforward tax losses	(134,787)	39,009	(123,053)	34,280
Accruals	(61,447)	16,105	(61,689)	14,467
Provisions	(162,945)	46,525	(133,321)	39,028
Change in fair value of derivative instruments	15,728	(4,585)	5,332	(1,258)
Rights of use of assets	167,588	(41,857)	107,714	(24,274)
Lease liabilities	(173,469)	43,309	(110,600)	24,927
Incentives	(233,091)	199,059	(152,002)	137,149
Other	(2,522)	4,693	793	1,570
Total	**(412,073)**	**261,939**	**(460,021)**	**229,363**

Tax advantages obtained under the investment incentive system

Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TRY 199,059 (31 December 2024: TRY 137,149) tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of 31 December 2025. TRY 51,822 of deferred tax income is recognized in the consolidated profit or loss statement for the period between January 1 – 31 December 2025 from accounting of such deferred tax assets (2024: TRY 32,477).

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 3-6 years from the balance sheet date.

In the sensitivity analysis performed as of 31 December 2025, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 3-6 years recovery periods of deferred tax assets related to investment incentives.

(Amounts expressed in millions of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 26 - INCOME TAX (Continued)

The movements of deferred income tax assets/(liabilities) year ended 31 December 2025 and 2024 is as follows:

	2025	2024
1 January	**229,363**	**172,732**
Charged to (loss)/profit	(301)	31,603
Changes in the scope of consolidation	88	3,148
Charged to other comprehensive income	(3,431)	10,794
Foreign exchange translation differences	36,220	11,086
31 December	**261,939**	**229,363**

Income tax expenses in the consolidated statement of profit or loss are summarized as follows:

	31 December 2025	31 December 2024
Profit before tax from continuing operations	513,389	390,148
(Loss)/profit before tax from discontinued operations	(187)	14,665
Effective tax rate	25%	25%
Expected tax expense of the Group	**(128,301)**	**(101,203)**
Profit exempt from taxation	22,684	58,409
Effect of different tax rates in foreign jurisdiction	1,331	(297)
Non-deductible expenses	(33,778)	(34,897)
Tax losses for which no deferred tax asset has been recognized	(15,416)	8,214
Tax effect of share of profit of equity accounted investees	19,176	15,899
Effect of differences in tax rates	(58,331)	(44,139)
Effect of investment incentive	51,822	32,477
The revaluation effect of the TPL (*)	10,192	30,856
Effect of other adjustments	(11,035)	1,263
Current year tax expense of the Group	**(141,656)**	**(33,418)**

(*) In accordance with the provisional Article 33 of the Tax Procedure Law (TPL), the balance sheet as of 31 December 2023 is subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met. In this context, the Group has applied inflation accounting in its statutory financial statements as of 31 December 2023 and 31 December 2024. Non-monetary items in the statutory tax financial statements are restated by using the Producer Price Index (PPI) and recorded at the new indexed value. As a result of the inflation adjustment, the difference between the statutory tax financial statements and TFRS based financial statements has decreased significantly, thus the deferred tax liability arising from this difference in previous years has decreased and recognized as deferred tax income.

According to the amendment made to the Tax Procedure Law (VUK) by Law No. 7571, published in the Official Gazette dated 25 December 2025, VUK financial statements will not be subject to inflation adjustment for the 2025 fiscal period, including provisional tax periods, as well as for the 2025, 2026, and 2027 fiscal periods. In addition, during these periods in which inflation accounting will not be applied, it will be possible to revalue depreciable assets pursuant to paragraph (Ç) of Article 298 of the VUK. Accordingly, the revaluation practice has been utilized in the current period, and fixed assets have been considered at their revalued amounts; the deferred tax amount for 2025 under Article 298(Ç) has been calculated based on these values.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 26 - INCOME TAX (Continued)

The redemption schedule of carry forward tax losses over which deferred tax asset is recognized is as follows:

	31 December 2025	31 December 2024
2025	-	10,344
2026	7,970	3,483
2027	1,350	3,946
2028	25,509	33,180
2029	61,565	72,100
2030	38,393	-
TOTAL	**134,787**	**123,053**

Carry forward tax losses over which deferred tax asset is not recognized amounts to TRY 71,708 as of 31 December 2025 (31 December 2024: TRY 58,014).

NOTE 27 - COMMITMENTS

Collaterals, pledges and mortgages ('CPM') given by the Subsidiaries at 31 December 2025 and 2024 is as follows:

31 December 2025	TRY Equivalent	USD	EUR	TRY	HRV	Other
A. Total amount of CPM's given in the name of its own legal personality	107,992	1,707	375	15,046	-	951
B. Total amount of CPM's given on behalf of the fully consolidated companies	21,670	148	250	2,757	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	2,541	-	-	2,541	-	-
D. Total amount of other CPM's given	-	-	-	-	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-	-
ii) Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	-	-	-	-	-	-
iii) Total amount of CPM's	-	-	-	-	-	-
Total	**132,203**	**1,855**	**625**	**20,344**	**-**	**951**

31 December 2024	TRY Equivalent	USD	EUR	TRY	Other
A. Total amount of CPM's given in the name of its own legal personality	52,941	869	303	9,907	1,244
B. Total amount of CPM's given on behalf of the fully consolidated companies	12,435	62	176	3,782	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	1,914	-	-	1,914	-
D. Total amount of other CPM's given	-	-	-	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-
ii) Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	-	-	-	-	-
iii) Total amount of CPM's	-	-	-	-	-
Total	**67,290**	**931**	**479**	**15,603**	**1,244**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 27 – COMMITMENTS (Continued)

The summary of guarantees given and received of non finance sector companies is as follows:

	31 December 2025	31 December 2024
Guarantee letters given	119,994	65,539
Letter of credits	12,209	1,751
Total	**132,203**	**67,290**

31 December 2025

Guarantees Received	TRY Equivalent	USD	EUR	TRY	Other
Guarantee letters received	966,160	1,820	462	864,830	119
Temporary letters of guarantee	5,617	97	2	1,360	-
Total	**971,777**	**1,917**	**464**	**866,190**	**119**

31 December 2024

Guarantees Received	TRY Equivalent	USD	EUR	TRY	Other
Guarantee letters received	800,861	750	95	770,911	-
Temporary letters of guarantee	5,262	87	26	1,237	-
Total	**806,123**	**837**	**121**	**772,148**	**-**

The summary of guarantees given and received of finance sector companies is as follows:

	31 December 2025	31 December 2024
Guarantee letters given	2,489,028	1,687,791
Letter of credit	293,091	143,120
Bank acceptance credits	76,196	54,304
Foreign currency acceptance	13,113	7,289
Other guarantees	86,113	81,424
Total	**2,957,541**	**1,973,928**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 27 - COMMITMENTS (Continued)

	31 December 2025	31 December 2024
Credit card limit commitments	1,700,737	1,054,051
Deposit purchase and sales commitments	611,191	132,971
Other commitments	1,175,244	638,938
Total	**6,444,713**	**3,799,888**

As of 31 December 2025 and 2024, the economic risk distribution of financial sector commitments is as follows:

	31 December 2025	31 December 2024
Construction	961,710	635,868
Manufacturing sector	930,801	664,984
Wholesalers	473,826	317,904
Financial institutions	162,358	87,265
Real estate and leasing	117,340	62,625
Electricity, gas, water	89,745	72,357
Transport and communication	57,719	36,103
Hotel and restaurant services	47,509	41,513
Mining and quarrying	30,619	17,195
Farming	9,161	8,819
Health and social services	8,202	5,420
Education services	4,075	2,384
Self-employment services	2,050	1,392
Fishery	1,971	1,517
Forestry	1,358	1,245
Other	59,097	17,337
Total	**2,957,541**	**1,973,928**

Aircraft purchase commitments

The Group has signed agreements for 471 aircraft that will be delivered between the years 2026 and 2036, (321 of aircraft are contractual and 150 of them are optional) with a list price value of USD 34,442 (TRY 1,475,592). The Group has made a predelivery payment of USD 1,165 (TRY 49,915) gross relevant to these purchases as of 31 December 2025 (December 31, 2024: USD 1,489 (TRY 52,532).

Cash flows from derivative financial instruments held for trading :

	31 December 2025	31 December 2024
Foreign currency purchases	(266,984)	(72,952)
Foreign currency sales	319,850	84,506

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 27 - COMMITMENTS (Continued)

	31 December 2025	31 December 2024
Currency swap purchases	(838,713)	(494,506)
Currency swap sales	896,648	487,317
Interest swap purchases	(175,196)	(115,644)
Interest swap sales	175,196	115,644

	31 December 2025	31 December 2024
Cash, interest and security purchase options	(17,166)	(36,226)
Cash, interest and security sales options	17,166	36,226

	31 December 2025	31 December 2024
Other purchases	(66,043)	(13,491)
Other sales	373	2,490

Cash flows from derivative financial instruments held for hedging purposes :

	31 December 2025	31 December 2024
Currency swap purchases	-	(8,715)
Currency swap sales	-	1,379

	31 December 2025	31 December 2024
Interest swap purchases	(539)	(2,894)
Interest swap sales	1	2,894

	31 December 2025	31 December 2024
Foreign currency purchase	(2,706)	-
Foreign currency sale	-	-

	31 December 2025	31 December 2024
Options purchases	(33,051)	-
Options sales	26,823	-

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 27 - COMMITMENTS (Continued)

As of balance sheet date, purchase commitments signed but not enacted yet are as follow:

	31 December 2025	31 December 2024
Tangible fixed asset	9,833	19,163
Maintenance and advertising service acquisition	1,697	407
Sponsorship through inventory support	547	184
Total	**12,077**	**19,754**

NOTE 28 - EQUITY

As of 31 December 2025, and 2024, the movement of the Group's government contribution is as follows:

	2025	2024
1 January	**343,041**	**311,774**
Increase in government contributions (*)	22,600	41,599
Dividends paid (*)	(20,854)	(10,332)
31 December	**344,787**	**343,041**

(*) Refer to Note 5.

Treasury shares

Treasury shares under equity stands for the Group company shares owned by the subsidiaries.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Hedging reserve

The hedging reserve comprises of the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Fair value reserve

The fair value reserve comprises of:

- The cumulative net change in the fair value of equity securities designated at FVOCI and
- The cumulative net change in fair value of debt securities at FVOCI until the assets are derecognized or reclassified. This amount is reduced by the amount of loss allowance.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 28 – EQUITY (Continued)

The fair value difference at initial recognition arising from the lending transactions conducted among the state banks, the Türkiye Wealth Fund and the Treasury on 24 April 2019, 9 March 2022, 29 March 2023, 27 December 2024, 30 December 2024 and 16 October 2025 has been recognized in the fair value reserve within equity. The loan agreement entered into on 24 April 2019 was repaid on 24 April 2024, and the fair value differences recognized in equity were reclassified (recycled) to the statement of profit or loss and other comprehensive income in the period.

NOTE 29 - REVENUE AND COST OF SALES

Non-financial sector - Revenue	**1 January - 31 December 2025**	**1 January - 31 December 2024**
Domestic sales	1,330,939	803,469
Foreign sales	191,381	147,835
Service sales	1,413,264	1,101,183
Sales returns (-)	(1,949)	(1,434)
Sales discount (-)	(8,297)	(6,420)
Total	**2,925,338**	**2,044,633**

Cost of sales	**1 January - 31 December 2025**	**1 January - 31 December 2024**
Cost of raw materials and trade goods	(750,771)	(626,979)
Personnel expenses	(300,679)	(199,735)
Fuel expenses	(243,223)	(203,503)
Depreciation and amortization expenses (Note 19,20,22)	(182,998)	(141,929)
Games of chance commissions and bonuses	(141,303)	(67,518)
Services received	(108,162)	(58,838)
Horse racing license expenses	(78,034)	(49,400)
Maintenance and repair expenses	(70,549)	(48,835)
Ground handling expenses	(66,875)	(48,986)
Passenger service and catering expenses	(46,775)	(33,787)
Landing and accommodation expenses	(43,759)	(30,817)
Overpass expenses	(39,121)	(26,209)
Treasury share	(38,156)	(25,271)
Interconnection expenses	(11,118)	(10,869)
Subcontracting expenses	(9,425)	(4,402)
Other	(115,984)	(81,390)
Total	**(2,246,932)**	**(1,658,468)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 29 - REVENUE AND COST OF SALES (Continued)

Financial sector	**1 January - 31 December 2025**	**1 January - 31 December 2024**
Interest, premium, commission and other income		
Interest from loans	1,550,687	1,105,405
Interest income on securities	605,666	436,270
Fees and commissions received	269,789	185,832
Interest income from required reserves	223,030	112,421
Insurance, indemnities, penalties income	89,950	53,718
Leasing and factoring income	27,473	23,074
Interest income from banks	25,600	17,642
Income from reversal of provisions	609	-
Other interest income	45,943	12,554
Total	**2,838,747**	**1,946,916**

Interest, premium, commission and other expense	**1 January - 31 December 2025**	**1 January - 31 December 2024**
Interest on deposits	(1,655,148)	(1,262,076)
Interest paid to money market transactions	(214,053)	(106,718)
Fees and commissions given	(98,011)	(64,146)
Interest paid to loans	(89,173)	(50,154)
Interest paid on issued securities	(54,211)	(25,296)
Expenses from insurance activities	(51,426)	(31,036)
Expected credit loss provisions	(48,347)	(3,444)
Trading profit/(loss), (net)	(48,067)	(47,822)
Credit card and banking service expense	(43,213)	(25,994)
TMSF rediscount expense	(15,107)	(10,950)
Other interest expenses	(27,449)	(15,561)
Total	**(2,344,205)**	**(1,643,197)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 29 - REVENUE AND COST OF SALES (Continued)

a) Segment revenue	1 January - 31 December 2025	1 January - 31 December 2024
Revenue (Net)		
Energy	1,056,288	726,918
Aviation and transportation	965,127	749,144
Telecommunication	363,624	241,493
Games of chance	150,941	73,490
Horse races	93,696	59,564
Mining	70,367	46,463
Postal cargo revenue	47,441	34,481
Stock exchange operations	36,977	21,997
Sugar revenues	36,636	19,315
Equipment	25,336	18,991
Packaged and refined tea sales	21,758	19,726
Concessionary service agreements (TFRS 12)	19,365	8,941
Call center	7,651	6,547
Cable	6,671	3,959
Türkiye satellites	4,660	2,853
Other	18,800	10,751
Total	**2,925,338**	**2,044,633**

Timing of revenue recognition

	1 January - 31 December 2025	1 January - 31 December 2024
Goods or services transferred at a point in time	2,740,194	1,919,444
Goods and services transferred over time	185,144	125,189
Total	**2,925,338**	**2,044,633**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 30 - EXPENSES BY NATURE

	1 January - 31 December 2025	1 January - 31 December 2024
General and administrative expenses (-)	(341,410)	(222,748)
Sales, marketing and distribution expenses (-)	(143,900)	(110,037)
Total	**(485,310)**	**(332,785)**

General and administrative expenses	1 January - 31 December 2025	1 January - 31 December 2024
Personnel expenses	(206,892)	(132,260)
Taxes, duties and charges	(33,670)	(18,700)
Depreciation and amortization expenses (Note 19,20,22)	(24,578)	(17,367)
Computer use expense	(5,961)	(4,317)
Consultancy expenses	(5,189)	(2,999)
Outsourcing expenses	(5,804)	(5,854)
Cleaning and food expenses	(5,083)	(2,975)
Repair and maintenance expenses	(4,598)	(5,482)
Expertise and control expenses	(4,291)	(2,269)
Communication expenses	(4,175)	(1,906)
Energy and utility expenses	(4,010)	(2,577)
Rent expenses	(2,888)	(1,834)
Service expenses	(1,473)	(983)
Other general administrative expenses	(32,798)	(23,225)
Total	**(341,410)**	**(222,748)**

Sales, marketing and distribution expenses	1 January - 31 December 2025	1 January - 31 December 2024
Commission and incentive expenses	(48,088)	(37,235)
Personnel expenses	(32,892)	(25,362)
Advertisement expenses	(24,550)	(17,872)
Reservation system expenses	(8,927)	(9,326)
Outsourcing expenses	(6,737)	(7,921)
Depreciation and amortization expenses (Note 19,20,22)	(4,637)	(3,042)
Call center expenses	(2,694)	(1,828)
Rent expenses	(786)	(609)
Other sales, marketing and distribution expenses	(14,589)	(6,842)
Total	**(143,900)**	**(110,037)**

(Amounts expressed in millions of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 31 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	1 January - 31 December 2025	1 January - 31 December 2024
Exchange income	38,685	23,448
Grant credit revenue for aircraft, engine and other purchases	14,881	8,551
Fees and commissions received	10,048	6,989
Rent income	4,383	3,743
Insurance, indemnities, penalties income	3,744	3,379
Late interest income	3,147	3,085
Discount interest income	2,837	1,076
Non-interest income from banks	2,027	1,972
Provisions released	1,374	1,576
Other income (*)	19,794	162,539
Total	**100,920**	**216,358**

(*) TRY 143,976 of other income for the year ended December 31, 2024 consists of income arising from the write-off of trade payable balances that Gazprom waived its right to collect, in accordance with the protocol signed on January 24, 2024 between the Group and its natural gas supplier, Gazprom Export LLC ("Gazprom").

Other expense from operating activities	1 January - 31 December 2025	1 January - 31 December 2024
Tax penalty delay interest expense	(63,956)	(34,430)
Exchange expense	(33,472)	(29,214)
Allowance for doubtful receivables (Note 9,11)	(16,044)	(5,561)
Provision expenses	(10,170)	(5,693)
Litigation expenses	(2,829)	(1,058)
Rediscount expenses	(1,437)	(1,365)
CMB board share expense accrual	(818)	(633)
Other expenses	(18,310)	(11,082)
Total	**(147,036)**	**(89,036)**

NOTE 32 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities	1 January - 31 December 2025	1 January - 31 December 2024
Increase in fair value of investment properties (Note 18)	57,462	74,731
Interest income from financial investments	63,670	54,994
Gain on sale of fixed assets	5,573	2,968
Gain on sale of financial investments	5,025	5,617
Government grant income	49	8,809
Other	35,510	10,483
Total	**167,289**	**157,602**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 32 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES (Continued)

Expenses from investing activities	**1 January- 31 December 2025**	**1 January- 31 December 2024**
Impairment provision for petroleum investments (*)	(13,626)	(24,822)
Loss from trading of securities	(2,618)	(1,533)
Provision for impairment of tangible and intangible assets	(620)	(133)
Loss on sale of fixed assets	(211)	(1,484)
Other	(191)	(552)
Total	**(17,266)**	**(28,524)**

(*) The impairment provision expense amounting to TRY 13,626 relates to the impairment of oil and gas assets in TPAO's Azerbaijan project.

NOTE 33 - FINANCE INCOME AND EXPENSES

Finance income	**1 January - 31 December 2025**	**1 January - 31 December 2024**
Foreign exchange gains	42,938	44,668
Interest income	35,853	34,266
Gains on derivative instruments	4,299	605
Other	2,113	472
Total	**85,203**	**80,011**

Finance expense	**1 January - 31 December 2025**	**1 January - 31 December 2024**
Interest expense	(233,180)	(200,566)
Foreign exchange losses	(152,877)	(117,023)
Interest expense on finance lease	(23,456)	(18,949)
Interest expenses on employee termination benefits	(7,103)	(5,522)
Losses on derivative instruments	(4,478)	(9,897)
Aircraft financing expenses	(514)	(763)
Other	(18,454)	(14,240)
Total	**(440,062)**	**(366,960)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial instruments and financial risk management

Financial risk management

The Group's activities expose it to a variety of financial risks. These risks are market risk (including currency risk, fair value interest rate risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on seeking to minimize the variability of financial markets and the potential adverse effects on the Group's financial performance. The Group benefits from derivative financial instruments to hedge against various risks that it is exposed to.

Risk management is implemented by individual Subsidiaries and Joint Ventures under policies, approved by their Board of Directors.

Foreign exchange risk

Foreign currency risk is the risk that fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. These risks are monitored and limited by analyzing foreign currency position. The Group benefits from derivative instruments with the aim of minimizing the foreign exchange risk arising from balance sheet items by using swap and forward transactions.

The Group is mainly exposed to foreign exchange risk in USD, EUR, and GBP.

Foreign currency denominated assets and liabilities held by the Group at 31 December 2025 and 2024 terms of TRY are as follows:

Foreign exchange risk	**31 December 2025**	**31 December 2024**
Assets	5,986,272	3,706,184
Liabilities	(7,354,606)	(4,398,428)
Net foreign currency balance sheet position	**(1,368,334)**	**(692,244)**
Net foreign currency position of off-balance sheet derivative financial instruments	499,184	114,236
Total	**(869,150)**	**(578,008)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2025	Total TRY Equivalent	USD TRY Equivalent	EUR TRY Equivalent	GBP TRY Equivalent	Other TRY Equivalent
Asset					
Cash and cash equivalents	887,234	340,559	195,970	21,345	329,360
Financial assets	1,561,938	1,061,868	204,676	360	295,034
Receivables from finance sector operations	2,289,073	829,848	1,311,422	15,690	132,113
Reserve balances at CBRT	865,912	311,594	297,168	189	256,961
Trade receivables	104,785	71,385	13,358	780	19,262
Other assets	277,330	166,672	64,761	2,719	43,178
Total Asset	**5,986,272**	**2,781,926**	**2,087,355**	**41,083**	**1,075,908**
Liabilities					
Borrowings from financial sector operations	(5,347,530)	(2,111,818)	(1,987,837)	(73,270)	(1,174,605)
Borrowings	(1,496,709)	(710,478)	(552,720)	-	(233,511)
Trade payables	(246,678)	(196,722)	(25,128)	(1,433)	(23,395)
Other payables and provisions	(263,689)	(207,865)	(42,453)	(918)	(12,453)
Total Liabilities	**(7,354,606)**	**(3,226,883)**	**(2,608,138)**	**(75,621)**	**(1,443,964)**
Net assets/(liabilities) foreign currency position of off-balance sheet derivative financial	**499,184**	**126,316**	**104,152**	**50,545**	**218,171**
Monetary items net assets/(liabilities) foreign currency position	**(869,150)**	**(318,641)**	**(416,631)**	**16,007**	**(149,885)**

31 December 2024	Total TRY Equivalent	USD TRY Equivalent	EUR TRY Equivalent	GBP TRY Equivalent	Other TRY Equivalent
Asset					
Cash and cash equivalents	581,981	276,073	202,828	5,408	97,672
Financial assets	938,528	677,535	109,347	136	151,510
Receivables from finance sector operations	1,446,068	590,267	766,736	7,411	81,654
Reserve balances at CBRT	476,379	206,122	162,692	144	107,421
Trade receivables	145,922	123,971	5,986	1	15,964
Other assets	117,306	57,032	27,520	1,614	31,140
Total Asset	**3,706,184**	**1,931,000**	**1,275,109**	**14,714**	**485,361**
Liabilities					
Borrowings from financial sector operations	(3,171,045)	(1,362,637)	(1,229,395)	(49,630)	(529,383)
Borrowings	(882,416)	(341,869)	(430,398)	-	(110,149)
Trade payables	(186,982)	(164,718)	(15,878)	(12)	(6,374)
Other payables and provisions	(157,985)	(132,916)	(14,581)	(231)	(10,257)
Total Liabilities	**(4,398,428)**	**(2,002,140)**	**(1,690,252)**	**(49,873)**	**(656,163)**
Net assets/(liabilities) foreign currency position of off-balance sheet derivative financial	**114,236**	**(143,712)**	**72,412**	**36,383**	**149,153**
Monetary items net assets/(liabilities) foreign currency position	**(578,008)**	**(214,852)**	**(342,731)**	**1,224**	**(21,649)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34- NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

The foreign exchange risk of Group companies for the years ended 31 December 2025 and 2024 is summarized as follows:

	Profit/(Loss)	
31 December 2025	**Appreciation of foreign currency**	**Depreciation of foreign currency**
Change in USD against TRY by 20%		
USD net assets/liabilities	(88,991)	88,991
USD hedged items (-)	25,263	(25,263)
USD net effect	**(63,728)**	**63,728**
Change in EUR against TRY by 20%		
EUR net assets/liabilities	(104,157)	104,157
EUR hedged items (-)	20,830	(20,830)
EUR net effect	**(83,327)**	**83,327**
Change in GBP against TRY by 20%		
GBP net assets/liabilities	(6,908)	6,908
GBP hedged items (-)	10,109	(10,109)
GBP net effect	**3,201**	**(3,201)**
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	(73,611)	73,611
Other currency hedged items (-)	43,634	(43,634)
Other currency net effect	**(29,977)**	**29,977**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	Profit/(Loss)	
31 December 2024	**Appreciation of foreign currency**	**Depreciation of foreign currency**
Change in USD against TRY by 20%		
USD net assets/liabilities	(14,228)	14,228
USD hedged items (-)	(28,742)	28,742
USD net effect	**(42,970)**	**42,970**
Change in EUR against TRY by 20%		
EUR net assets/liabilities	(83,029)	83,029
EUR hedged items (-)	14,482	(14,482)
EUR net effect	**(68,547)**	**68,547**
Change in GBP against TRY by 20%		
GBP net assets/liabilities	(7,032)	7,032
GBP hedged items (-)	7,277	(7,277)
GBP net effect	**245**	**(245)**
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	(34,160)	34,160
Other currency hedged items (-)	29,831	(29,831)
Other currency net effect	**(4,329)**	**4,329**

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate on interest bearing liabilities and assets. In addition to the natural hedges that arise from offsetting interest rate sensitive assets and liabilities, the Group also manages this risk through derivative transactions for hedging purposes.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. During 2025 and 2024, the Group's borrowings at floating rates are denominated in TRY, USD, EUR and GBP.

As of 31 December 2025 and 2024, the interest position table of the Group's other industrial segments is as follows:

Fixed interest rate financial instruments	**31 December 2025**	**31 December 2024**
Financial assets (mainly including time deposits)	418,249	200,060
Financial liabilities	728,358	402,816

Variable interest rate financial instruments	**31 December 2025**	**31 December 2024**
Financial liabilities	1,482,030	914,514

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims to maintaining flexibility in funding by keeping committed credit lines available.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2025 and 2024, the contractual cash flows of the non-derivative financial liabilities in accordance agreement of the Group are as follows:

31 December 2025

	Book Value	Contractual Cash Flows	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Payables from financial sector operations	11,779,559	**12,142,537**	8,526,520	1,605,276	1,072,074	766,018	172,649
Borrowings	1,801,189	**2,061,668**	52,947	115,724	218,624	1,049,726	624,647
Lease obligations	680,047	**820,776**	10,613	24,037	83,723	348,468	353,935
Trade payables	441,819	**450,847**	223,623	182,039	40,525	296	4,364
Other payables	276,196	**324,419**	220,256	56,002	44,083	4,078	-
Total	**14,978,810**	**15,800,247**	**9,033,959**	**1,983,078**	**1,459,029**	**2,168,586**	**1,155,595**

31 December 2024

	Book Value	Contractual Cash Flows	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Payables from financial sector operations	7,726,867	**8,133,885**	5,396,258	1,052,865	982,645	580,418	121,699
Borrowings	1,115,290	**1,320,542**	22,282	114,985	194,336	576,587	412,352
Lease obligations	452,570	**533,602**	19,499	48,691	17,949	238,989	208,474
Trade payables	309,322	**314,853**	155,391	131,245	26,292	1,925	-
Other payables	253,710	**292,887**	215,464	31,045	7,604	38,774	-
Total	**9,857,759**	**10,595,769**	**5,808,894**	**1,378,831**	**1,228,826**	**1,436,693**	**742,525**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2025

Due date on the contracts	Book Value	Contractual Cash Flows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Derivative cash inflows	49,567	1,555,654	1,272,941	194,979	49,140	38,594
Derivative cash outflows	(33,994)	(1,570,985)	(1,283,305)	(166,339)	(64,028)	(57,313)
Derivative cash inflows/outflows, net	**15,573**	**(15,331)**	**(10,364)**	**28,640**	**(14,888)**	**(18,719)**

31 December 2024

Due date on the contracts	Book Value	Contractual Cash Flows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Derivative cash inflows	22,691	786,692	620,173	82,356	46,501	37,662
Derivative cash outflows	(17,557)	(790,756)	(632,916)	(53,951)	(53,555)	(50,334)
Derivative cash inflows/outflows, net	**5,134**	**(4,064)**	**(12,743)**	**28,405**	**(7,054)**	**(12,672)**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2025	Trade Receivables	Other Receivable	Deposits in Banks	Derivative Instruments	Receivables From Insurance Activities	Receivables From Finance Activities	Financial Investments
Maximum credit risk exposed as of balance sheet date 31 December 2025 (A+B+C)	403,786	275,082	1,580,861	49,567	35,100	6,582,162	3,899,536
The part of maximum risk under guarantee with collaterals etc.	34,873	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	380,382	274,907	1,580,861	49,567	35,100	6,260,463	3,899,536
B. Net book value of financial assets past due but not impaired	18,783	-	-	-	-	228,961	-
C. Net book value of impaired assets	4,621	175	-	-	-	92,738	-
- Not overdue (Gross carrying amount)	377	121	-	-	-	-	-
- Impairment	(377)	(121)	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
- Overdue (Gross carrying amount)	36,539	1,297	-	-	-	207,310	-
- Impairment	(31,918)	(1,122)	-	-	-	(114,572)	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
D. Off balance sheet items	-	-	-	-	-	2,957,541	-

31 December 2024	Trade Receivables	Other Receivable	Deposits in Banks	Derivative Instruments	Receivables From Insurance Activities	Receivables From Finance Activities	Financial Investments
Maximum credit risk exposed as of balance sheet date 31 December 2025 (A+B+C)	221,472	346,209	1,153,813	22,691	20,370	4,490,081	2,434,338
The part of maximum risk under guarantee with collaterals etc.	10,451	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	207,180	346,114	1,153,813	22,691	20,370	4,298,042	2,434,338
B. Net book value of financial assets past due but not impaired	11,016	-	-	-	-	153,203	-
C. Net book value of impaired assets	3,276	95	-	-	-	38,836	-
- Not overdue (Gross carrying amount)	273	131	-	-	-	-	-
- Impairment	(273)	(131)	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
- Overdue (Gross carrying amount)	20,311	1,005	-	-	-	105,652	-
- Impairment	(17,035)	(910)	-	-	-	(66,816)	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
D. Off balance sheet items	-	-	-	-	-	1,973,928	-

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Maximum exposure to credit risk of the financial sector is as follows:

	31 December 2025	31 December 2024
Loans and credit cards given	**6,472,082**	**4,424,369**
Consumer loans and credit cards	*1,179,146*	*836,725*
Commercial loans	*5,292,936*	*3,587,644*
Financial lease liabilities	110,080	65,712
Receivables from insurance activities	35,100	20,370
Fair value through profit or loss securities	492,223	233,357
Fair value through profit or loss derivative financial assets	36,794	15,257
Financial assets at fair value through other comprehensive income	1,772,603	1,089,559
Financial assets measured at amortized cost	1,231,410	917,347
Total	**10,150,292**	**6,745,601**

Credit risk for the other industrial segments arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transaction.

Impairment losses on financial assets recognized in profit or loss were as follows:

	31 December 2025	31 December 2024
Impairment loss on borrowings	(48,347)	(3,444)
Impairment loss on lease receivables	(534)	47
Impairment loss on trade receivables	(16,044)	(5,561)

Value at risk

Stress tests provide indications of the extent of the damage that may occur in unusual circumstances. The stress tests conducted by the Halkbank Risk Management and Ziraat Bank Risk Management department includes the interest rate stress tests as predicted by Halkbank's and Ziraat Bank's market risk policies. For all banking transactions except for the trading portfolio, the interest rate risk is monitored under the interest rate risk arising from banking accounts. The results of the stress tests are analyzed by the Asset and Liability Committee ("ALCO").

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Calculation and reporting of interest rate risk arising from banking accounts the monthly rate is calculated in accordance the 'Regulation on Measurement and Evaluation of Interest Rate on Banking Accounts Based on Standard Shock' published in the Official Gazette dated 23 August 2011 and numbered 28033.

31 December 2025

Currency	Applied Shock (+/- basis points)	Gains /Losses	Gains/Shareholders Equity - Losses /Shareholders' Equity
TRY	(400)	(79,933)	(7)%-(8)%
TRY	400	75,928	7%
USD	(200)	(73,670)	(5)%-(8)%
USD	200	58,313	4%-6%
EUR	(225)	(13,254)	1%-(4)%
EUR	225	11,245	1%-3%
Total (for negative shocks)		**(166,857)**	
Total (for positive shocks)		**145,486**	

31 December 2024

Currency	Applied Shock (+/- basis points)	Gains /Losses	Gains/Shareholders Equity - Losses /Shareholders' Equity
TRY	(400)	8,414	4%-7%
TRY	400	(8,515)	(4)%-(5)%
USD	(200)	16,634	7%-8%
USD	200	(12,351)	(5)%-(6)%
EUR	(225)	1,310	(1)%-1%
EUR	225	(722)	1%
Total (for negative shocks)		**26,358**	
Total (for positive shocks)		**(21,588)**	

Halkbank and Ziraat Bank consider foreign exchange risk and inherent risk as two significant factors of market risk. Market risk is measured by two methods named as 'inherent method' and 'standard method'.

According to the 'internal model,' market risk is measured using the Value at Risk (VaR) approach, which takes into account various risk factors. In VaR calculations, the variance-covariance, historical simulation, and Monte Carlo simulation methods are used. The software employed is capable of performing calculations with advanced yield curve and volatility models. The VaR model is based on assumptions of a 99% confidence interval and a 10-day holding period. Market risk is measured daily and weekly based on the securities portfolio, including exchange rate risk, and is reported to the Bank's Senior Risk Committee. The Senior Risk Committee of the Bank sets limits related to market risk, and these limits are continuously reviewed according to market conditions. The implementation of the set limits is subject to authorization restrictions, thereby enhancing control effectiveness.

NOTE 34 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

VaR analyzes are supported by scenario analyzes and stress tests, which are unexpected and unlikely to occur, but take into account the effects of major events and fluctuations in the market. Retrospective testing of model outputs is regularly carried out.

According to the 'standard method', market risk is measured on securities portfolio basis in a way that includes the Group's exchange risk daily and weekly and reported to the senior management of the Banks in the Group.

NOTE 35 - FAIR VALUE AND FINANCIAL RISK MANAGEMENT

Fair value of financial instruments

The estimated fair values of financial instruments have been determined by the Group and its Subsidiaries and Joint Ventures using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group and its subsidiaries and joint ventures could realise in a current market transaction.

The following methods and assumptions were used in estimating the fair value of the financial instruments for which the fair value of the Group can be determined:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

The trade receivables along with the related allowances for doubtful receivables uncollectibility are carried at amortised cost using the effective yield method, and hence are accepted to approximate their fair values.

Financial liabilities

The fair value of short-term funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Long-term borrowings, which are principally at floating rates and denominated in foreign currencies, are translated at year-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trade payables are valued at amortized cost using the effective interest method and are thus considered to approximate their fair values.

The fair value of forward foreign exchange contracts and currency/interest rate swaps is estimated based on quoted market rates prevailing at the balance sheet date.

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 35 - FAIR VALUE AND FINANCIAL RISK MANAGEMENT(Continued)

Banking

The classification of valuation techniques under TFRS 13 is determined by whether the data used in valuation techniques based on fair value calculations is observable or not.

Fair value hierarchies of the financial assets and liabilities of the Group's as of 31 December 2025 and 2024 is as follows:

		Fair value levels as of 31 December 2025		
Financial assets	**31 December 2025**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Financial assets at FVOCI	2,076,975	2,055,772	15,230	5,973
Financial assets at FVTPL	535,594	295,886	200,273	39,435
Derivative instruments at FVTPL used for trading	49,124	-	49,124	-
Derivative instruments at FVOCI used for hedging	443	-	443	-
Other financial assets	78,748	58,329	-	20,419
Total	**2,740,884**	**2,409,987**	**265,070**	**65,827**

		Fair value levels as of 31 December 2024		
Financial assets	**31 December 2024**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Financial assets at FVOCI	1,173,656	1,154,455	13,759	5,442
Financial assets at FVTPL	301,096	109,497	163,416	28,183
Derivative instruments at FVTPL used for trading	21,762	-	21,762	-
Derivative instruments at FVOCI used for hedging	929	-	929	-
Other financial assets	11,627	-	-	11,627
Total	**1,509,070**	**1,263,952**	**199,866**	**45,252**

		Fair value levels as of 31 December 2025		
Non-financial assets	**31 December 2025**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Investment properties (*)	270,286	-	203,011	67,275
Total	**270,286**	**-**	**203,011**	**67,275**

(*) According to the valuation report prepared for the relevant project by Denge Gayrimenkul Değerleme ve Danışmanlık A.Ş. on 27 February 2026, since some of the properties in question are at various stages of construction, the cost approach analysis method was applied, while the market (comparable sales) approach was used for offices and shops where construction activities have been completed, floor easements (kat irtifakı) have been established, and which have acquired the status of independent units (bağımsız bölüm). In determining the value of the land, the comparable sales approach and the project development method were applied, with the comparable sales approach being taken as the basis. In the valuation of the subject property, the Cost Approach Analysis and Comparable Sales Approach were adopted as the basis, taking into account factors such as current market transaction (buy-sell) values in the vicinity, present economic conditions, the location of the property, its zoning status, and the level of construction. In the final valuation, the Income Approach was not taken into consideration in determining the final value, given that leasing transactions within the project are still at a minimal level and no established market exists in terms of rental prices.

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NOTE 35 - FAIR VALUE AND FINANCIAL RISK MANAGEMENT(Continued)

		Fair value levels as of 31 December 2024		
Non-financial assets	**31 December 2024**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Investment properties (*)	203,102	-	150,557	52,545
Total	**203,102**	**-**	**150,557**	**52,545**

		Fair value levels as of 31 December 2025		
Financial liabilities	**31 December 2025**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Derivative instruments at FVTPL used for trading	32,710	-	32,710	-
Derivative instruments at FVOCI used for hedging	1,284	-	1,284	-
Other financial liabilities	57,018	-	-	57,018
Total	**91,012**	**-**	**33,994**	**57,018**

		Fair value levels as of 31 December 2024		
Financial liabilities	**31 December 2024**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Derivative instruments at FVTPL used for trading	16,996	-	16,996	-
Derivative instruments at FVOCI used for hedging	561	-	561	-
Other financial liabilities	38,870	-	-	38,870
Total	**56,427**	**-**	**17,557**	**38,870**

The movement table of Level 3 financial assets is as follows:

	31 December 2025	**31 December 2024**
1 January	**97,797**	**95,782**
Additions	5,878	7,543
Redemption or disposal	(396)	(2,397)
Valuation difference	16,205	26,438
Effects of foreign currency translation	13,214	301
Transfer	404	(29,870)
31 December	**133,102**	**97,797**

The movement table of Level 3 financial assets is as follows:

	31 December 2025	**31 December 2024**
1 January	**38,870**	**3,722**
Additions	4,857	31,358
Valuation difference	824	2,086
Effects of foreign currency translation	12,467	1,704
31 December	**57,018**	**38,870**

(Amounts expressed in millions of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than Turkish Lira expressed in millions unless otherwise indicated.)

NOTE 35 - FAIR VALUE AND FINANCIAL RISK MANAGEMENT (Continued)

Classification of financial instruments and fair value as of 31 December 2025 is as follows:

	Note	Financial assets at amortized cost	Financial instruments at FVOCI	Financial instruments at FVPL	Financial cost at amortized cost	Book value
Financial Assets						
Cash and cash equivalents	6	1,974,414	-	71,764	-	2,046,178
Financial assets	7	1,286,967	2,076,975	535,594	-	3,899,536
Derivative financial instruments	13	-	443	49,124	-	49,567
Trade receivables	9	403,786	-	-	-	403,786
Other receivables	11	275,082	-	-	-	275,082
Receivables from financial sector operations	12	6,596,842	-	20,420	-	6,617,262
Reserve balances at CBRT	6	1,285,133	-	-	-	1,285,133
Financial Liabilities						
Borrowings	23	-	-	57,018	1,744,171	1,801,189
Derivative financial instruments	13	-	1,284	32,710	-	33,994
Trade payables	10	-	-	-	441,819	441,819
Other payables	11	-	-	-	276,196	276,196
Payables from financial sector operations	12	-	-	-	11,779,559	11,779,559
Lease liabilities	22	-	-	-	680,047	680,047

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NOTE 35 - FAIR VALUE AND FINANCIAL RISK MANAGEMENT (Continued)

Classification of financial instruments and fair value as of 31 December 2024 is as follows:

	Note	Financial assets at amortized cost	Financial instruments at FVOCI	Financial instruments at FVPL	Financial cost at amortized cost	Book value
Financial Assets						
Cash and cash equivalents	6	1,270,370	-	7,297	-	1,277,667
Financial assets	7	959,586	1,173,656	301,096	-	2,434,338
Derivative financial instruments	13	-	929	21,762	-	22,691
Trade receivables	9	221,472	-	-	-	221,472
Other receivables	11	346,209	-	-	-	346,209
Receivables from financial sector operations	12	4,498,824	-	11,627	-	4,510,451
Reserve balances at CBRT	6	785,097	-	-	-	785,097
Financial Liabilities						
Borrowings	23	-	-	38,870	1,076,420	1,115,290
Derivative financial instruments	13	-	561	16,996	-	17,557
Trade payables	10	-	-	-	309,322	309,322
Other payables	11	-	-	-	253,710	253,710
Payables from financial sector operations	12	-	-	-	7,726,867	7,726,867
Lease liabilities	22	-	-	-	452,570	452,570

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NOTE 36 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT FIRMS

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

	31 December 2025	31 December 2024
Independent audit fees for the reporting period	616	407
Tax consultancy service fees	38	19
Other assurance services fee	46	31
Other service fee apart from independent audit	16	9
Total	**716**	**466**

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD

Türk Telekomünikasyon A.Ş. Concession Agreement

As a result of the negotiations conducted between the ICTA (BTK) and Türk Telekom, an agreement was reached, and with the extension agreement signed on 27 February 2026, the concession period was extended by 24 years until 28 February 2050. Under the extension agreement, Türk Telekom will pay a total extension fee of USD 2,500 to the ICTA (BTK), under a payment plan spread over 10 years starting from the last business day of 2026.

Türkiye Sigorta Share Sale

TVF Financial Yatırımlar offered a total of TRY 500 nominal value shares, corresponding to 5% of Türkiye Sigorta's issued share capital, from within its existing 81.1% stake in the company, to institutional investors residing outside Türkiye through an accelerated bookbuilding process. The transaction was completed at a price of TRY 13.50 per share, with a total transaction size of approximately TRY 6,750.

Following the completion of the share sale transaction, TVF Financial Investments' direct ownership interest decreased from 81.10% to 76.10%.

TVF İzmir Alsancak Limanı Yatırım ve Yönetim A.Ş.

Established by TVF on 11 February 2026, with 100% ownership.

TVF Katılım Finans Yatırımları A.Ş.

Established by TVF on 18 February 2026, with 100% ownership.

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD (Continued)

Change in Tax Rate

As a result of the amendment made to Article 32 of Corporate Tax Law No. 5520 through Law No. 7582 on Amendments to Certain Laws, published in the Official Gazette dated June 4, 2026 and numbered 33270, the corporate tax rate has been set at 12.5% for the earnings derived exclusively from production activities by corporations holding an industrial registry certificate and actually engaged in production activities, as well as for the earnings derived exclusively from agricultural production activities by corporations engaged in such activities. Assessment work regarding the applicability of this legislative change to the Group's operations and its effects on deferred tax assets and liabilities is ongoing, and as of the reporting date, the impact of this change on the consolidated financial statements has not yet been finalized.

TPAO Sukuk Issuance

TPAO, a subsidiary of the Group, issued Sukuk in the amount of USD 1,000 with a 5-year maturity and an interest rate of 6.30% on 26 February 2026, and issued an additional Sukuk in the amount of USD 500 with a 5-year maturity and an interest rate of 6.30% on 21 May 2026.

Signing of the Memorandum of Understanding

A Memorandum of Understanding (MoU) was signed on 16 July 2026, between the Fund and Azerbaijan's sovereign wealth fund, Azerbaijan Investment Holding (AIH), with the aim of evaluating joint opportunities in strategic investment areas. Through the signed Memorandum of Understanding, the parties aim to cooperate in jointly evaluating investment opportunities and developing joint projects in sectors of strategic importance, primarily in Türkiye and Azerbaijan, as well as in other mutually agreed countries and markets.

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