3.4. Explanations

3.4.1.Basis of Preparation of the Financial Statements

The CBRT prepares its books of account in accordance with the tax legislation and the CBRT Law No. 1211, and prepares its statutory financial statements in accordance with the Turkish Commercial Code No. 6102 (TCC Law No. 6102) and the CBRT Law No. 1211.

Periodicity, full disclosure, prudence, social responsibility, economic entity, going concern, monetary unit, historical cost, neutrality and documentation, consistency, substance over form, and materiality principles, which are the underlying assumptions of accounting, constitute the basis of the CBRT's accounting practices.

Foreign currency transactions of the CBRT are converted to Turkish lira at the exchange rates prevailing on transaction dates. During the preparation of financial statements, FX-denominated assets and liabilities are converted to Turkish lira using the FX and foreign currency buying rates of the CBRT applicable on the balance sheet date.

Pursuant to Article 61 of the CBRT Law No. 1211, valuation differences arising from the revaluation of gold, foreign currency, and other foreign currency denominated assets and liabilities in the assets and liabilities of the CBRT due to changes in the value of the Turkish currency against foreign currencies as well as in international gold prices are monitored in a separate account. The realized amounts of these valuation differences calculated according to the average cost method are reflected in the profit and loss statement. Periodic intervals in the average cost system are set according to the Bank's decision and applied prospectively.

As per the General Communiqué on Tax Procedure Law (TPL) No. 555 published in the Official Gazette No. 32415 of December 30, 2023, the fiscal balance sheet of December 31, 2024 is subject to inflation adjustment. As stated in Article 34 of Law No. 7571 of December 24, 2025, published in the Official Gazette No. 33118 of December 25, 2025, the financial statements for the 2025, 2026, and 2027 fiscal years shall not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment arise. Pursuant to this provision, the fiscal balance sheet of December 31, 2025 is not subject to inflation adjustment. Financial statements of the relevant years have not been adjusted for inflation.

The financial statements are presented in Turkish lira.

3.4.1.1. Gold Reserves

The CBRT's gold reserves consist of international standard and non-international standard gold held at CBRT vaults, foreign banks, and Borsa İstanbul (BIST).

With regard to gold reserve management, the CBRT can execute transactions such as outright purchases and sales, gold custody accounts, term gold deposit transactions, FX swaps against gold and gold swaps against FX, swaps with domestic banks against gold, location swaps, physical transportation of gold, etc.

Gold deposited by banks for the maintenance of reserve requirements is monitored at banks abroad and the BIST.

Gold is initially recognized at prices prevailing on the recognition date, and measured at fair value in the following periods. Fair value is calculated on the last available daily gold price quoted at 10.30 a.m. in the London Bullion Market, with one ounce of gold equaling 31.1035 grams, and is reported on the balance sheet after being converted daily to Turkish lira from these revalued amounts. Fair value differences arising from both price and exchange rate differences are recognized as unrealized gains or losses in the "Revaluation Account" as per Article 61 of the CBRT Law No. 1211.

3.4.1.2 Financial Assets and Liabilities

a) Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are securities in Turkish lira and foreign currency held for the purpose of liquidity management and reserve management.

Pursuant to Articles 52 (on open market operations) and 53 (on operations in gold and foreign exchange) of the CBRT Law No. 1211, securities purchased by the CBRT on its own account are classified in this group. After initial recognition, financial assets at fair value through profit or loss are revalued at their fair values at the end of each month, and gains and losses arising from revaluation are transferred to profit and loss accounts. The differences between acquisition costs and fair values of these financial assets are reflected in the "3. Foreign Correspondents" and "5. Securities Portfolio" items on the balance sheet.

Fair value is calculated based on weighted average prices that occur in the BIST for transactions with the same value date. In the absence of these prices, prices of related securities published daily in the Official Gazette by the CBRT are used for the fair value calculation. Foreign currency securities are valued at their fair value using the closing prices in related international markets at the end of each month.

Interest earned during the holding period of financial assets at fair value through profit or loss is recorded within interest income.

b) Loans

Loans extended by the CBRT are recognized when cash is advanced to borrowers. Loans are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial asset, or, where appropriate, through a shorter period, exactly to the net present value of the financial asset.

c) Participation Shares

These are initially recognized at their acquisition costs. Subsequent to the initial recognition, fair values are determined based on market prices or other valuation techniques. Unrealized gains and losses arising from changes in the fair value are monitored in "11. Other Liabilities." Dividends related to participation shares are reflected in the profit and loss statement in the period when the right to receive dividends is established.

d) Repurchase Transactions

Repurchase transactions of Turkish lira securities are undertaken within the scope of the open market operations of the CBRT. Repurchase transactions are recognized as collateralized loans. While the cash receivables are shown in item "6. Lending Related to Monetary Policy Operations / 6.1 Open Market Operations" on the asset side in the amount lent on the transaction date, securities received as collateral are monitored in regulating accounts. Interest received from banks is accrued at month ends using the effective interest method. On the maturity date, the interest income arising from the transaction is reflected in the profit and loss statement.

e) Impairment of Financial Assets

For financial assets other than those at fair value through profit or loss, the expected credit impairment model is used. Calculation of the expected credit loss is based on the transition matrix data published each year by CRAs. The rate of loss given default is taken as 45% as suggested by Basel regulations. The expected credit impairment is calculated by using the amount in default, the probability of default, and the rate of loss given default.

f) Derecognition of Financial Assets

The CBRT derecognizes an asset when the rights arising from the contract on the cash flow of the financial asset expire or when all risks and rewards arising from the acquisition of this asset are transferred to another party.

g) Financial Liabilities at Fair Value Through Profit or Loss

This group includes the liquidity bills, issued by the CBRT pursuant to Article 52 of the CBRT Law No. 1211 with an aim to effectively regulate money supply and liquidity in the economy within the framework of monetary policy targets, that have maturities no longer than 91 days and are tradable in the secondary markets on CBRT's own account and behalf within the scope of open market operations. The CBRT recognizes liquidity bills at the issuing amount and revalues them at the end of each month at their fair value according to the prices announced in the Official Gazette on a daily basis. The differences between the issuing amounts and the fair values are reflected in the profit and loss statement as of month-ends. As of the balance sheet date, there are no liquidity bills issued by the CBRT.

h) Other Financial Liabilities

Other financial liabilities are recognized at amortized cost with interest expense calculated on an effective interest rate.

i) Reverse Repurchase Transactions

Reverse repurchase transactions are recognized as collateralized deposits. While the securities lent as collateral are shown in "5. Securities Portfolio" in the assets of the balance sheet, cash debts are monitored in "2. Liabilities Related to Monetary Policy Operations / 2.1 Open Market Operations" item in the liabilities as the amount received on the transaction date. The interest paid to the banks is accrued at month-ends using the effective interest method. The interest expense paid for the transaction on the maturity date is reflected in the profit and loss statement.

j) Deposit Transactions

i. Foreign Exchange Deposits Against Turkish Lira Deposits Transactions

Foreign exchange deposits given are monitored in "7. Domestic Banks" on the assets side, and TRY deposits received are monitored in "2. Liabilities Related to Monetary Policy Operations / 2.4 Other" on the liabilities side. Interest amounts collected from foreign exchange deposits and paid to TRY deposits are accrued at month ends using the effective interest method. The interest income and interest expense arising from these transactions on the maturity date are recorded in the profit and loss statement.

ii. Reciprocal Deposit Transactions

Foreign exchange deposits received are monitored in "3. Deposits / 3.2 Banking Sector / 3.2.1 Domestic Banks / 3.2.1.1 Cash" on the liabilities side, and TRY deposits given are monitored in "6. Lending Related to Monetary Policy Operations / 6.3 Other" on the assets side. Interest amounts collected from TRY deposits are accrued at month ends using the effective interest method. The interest income arising from the transaction on the maturity date is reflected in the profit and loss statement.

k) TRY-Settled Forward Foreign Exchange Sales

At value date, TRY receivables and foreign exchange commitments are recognized under regulating accounts. At the end of each month, gains and losses at fair value are monitored under "16. Other Assets / 16.4 Other" / "11. Other Liabilities / 11.4 Other" on the balance sheet, and TRY payments/collections due to the exchange rate difference arising from transactions on the maturity date are reflected in the profit and loss statement. Regarding TRY-settled forward foreign exchange transactions at the BIST Derivatives Market (VIOP), gains and losses are reflected in the profit and loss statement on a daily basis.

l) Currency Swaps

i. Currency Swap Agreements with Central Banks

FX payables and TRY receivables due to currency swap agreements are recognized under the regulating accounts at value date and monitored in "3. Foreign Correspondents / 3.3. Other" on the assets side and "3. Deposits / 3.2 Banking Sector / 3.2.2 Foreign Banks" on the liabilities side respectively. The interest received/paid for the usages within a swap agreement is accrued at month-ends using the effective interest method. Interest received/paid on maturity is reflected in the profit and loss statement.

ii. Currency Swap Transactions with Banks

Sales/purchases of assets (TRY, FX, gold) related to swap transactions carried out at the CBRT and BIST are conducted at value date. Payables/receivables are recognized under the regulating accounts at the value date. At month-ends, fair value increases/decreases are monitored in "16. Other Assets / 16.4 Other" / "11. Other Liabilities / 11.4 Other" on the balance sheet and under interest income/expense items on the profit and loss statement. The non-interest valuation effects of valuation increases/decreases in the fair value, together with the valuation effects of the unrealized gain or loss arising from the valuation of the underlying assets subject to swap transactions, are included on the balance sheet in "16. Other Assets / 16.4 Other" / "11. "Other Liabilities /11.4 Other" items, the amounts related to the interest components of the increase/decrease in the fair value are monitored in the profit/loss statement, and the amounts related to the interest income/expenses arising from the transaction at maturity are reflected in the profit/loss statement.

m) FX-Protected Deposit Transactions

i. Transactions Regarding FX-Protected Deposits Converted From FX

The assets (FX, gold) received through transactions for the conversion to Turkish lira deposits and participation accounts are recognized, to be transferred to the related accounts at value date, under "7. Domestic Banks" on the balance sheet. At month-ends, the fair values of the exchange rate difference to be paid as part of the transactions for the conversion of Turkish lira deposits and participation accounts are monitored reciprocally in "16. Other Assets / 16.4 Other" / "11. Other Liabilities / 11.4 Other" items on the balance sheet, and on the maturity date, the exchange rate difference expenses arising from transactions are reflected in the profit and loss statement. The CBRT terminated the opening and renewal of FX-protected deposits (excluding YUVAM) converted from FX with the Communiqué No. 2025/20, converted from gold with the Communiqué No. 2025/21, and converted from physical gold with the Communiqué No. 2025/22, each published in the Official Gazette No. 32995 of August 23, 2025. Pursuant to Communiqués No. 2026/1 and No. 2026/2, published in the Official Gazette No. 33147 of January 24, 2026, the transactions for the conversion of foreign currency and gold accounts were terminated.

ii. Transactions Regarding FX-Protected Deposits Converted From TRY

The fair values of the exchange rate difference related to the transactions for FX-protected deposits converted from TRY, and transferred to the CBRT pursuant to the Provisional Article 2 of Law No. 7456 of July 14, 2023, are monitored reciprocally in “16. Other Assets / 16.4 Other” / “11. Other Liabilities / 11.4 Other” items on the balance sheet, and on the maturity date, the exchange rate difference expenses arising from transactions are reflected in the profit and loss statement. These transactions, the effective dates of which had been extended until December 31, 2023 according to the Presidential Decision No. 6563 published in the Official Gazette No. 32046 of December 17, 2022, were terminated as of December 31, 2024 as the minimum term of these accounts was 12 months.

3.4.1.3. Income and Expenses

a) Interest Income/Expenses

As required by the periodicity principle, income and expenses are accrued for the interest amounts of undue receivables and payables at month-ends, and income and expense accruals are recognized for due receivables and payables whose collections or payments will occur in the subsequent period..

b) Fee and Commission Income/Expenses

The fee and commission income and expenses, which the CBRT pays or receives as a result of the transactions with commercial banks, the Ministry of Treasury and Finance, public administrations within the scope of general budget, and other individuals and institutions, are recognized as income or expense in the period of payment or receipt. Income and expense accruals are recognized for payments or collections that will occur in the subsequent period.

c) Non-Interest Income/Expenses

The difference between acquisition costs of financial assets at fair value through profit/loss and their fair values, exchange rate difference-driven income and expenses regarding TRY-settled forward foreign exchange sales, the exchange rate difference expense of transactions for FX-protected deposits, income and expenses in purchase and sale of gold and foreign currency, and general expenses are recognized under this item. The average cost method is used in calculating income and expenses in purchase and sale of gold and foreign currency. Interest income and expenses arising from currency swap transactions are included in the average cost. As per the periodicity principle, prepaid expenses are charged on a monthly basis.

3.4.1.4. Fixed Assets

Fixed assets consist of land, buildings, and additional expenses as a part of buildings’ cost, furniture and fixtures, and software products. The land on the balance sheet of the CBRT is carried at acquisition cost, while buildings, furniture and fixtures, and software are carried at cost minus accumulated depreciation on the balance sheet. The difference between the sale proceeds arising from the disposal of fixed assets and the net carrying value of the asset is recognized in the profit and loss statement. Depreciation of fixed assets, other than land, is calculated and reflected in financial statements in accordance with their useful life as specified in the TPL General Communiqués using the prorated depreciation method.

3.4.1.5. Currency Issued

According to the CBRT Law No. 1211, the CBRT has the exclusive privilege of issuing banknotes. The amount of banknotes issued is shown under item “1. Currency Issued” on the balance sheet of the CBRT. The CBRT can replace the banknotes in circulation with new ones when necessary. In financial statements, banknotes in circulation are presented with their nominal values.

Stocks of semi-finished banknotes printed at the CBRT’s banknote printing plant are monitored at cost in “16. Other Assets.” Expenses associated with banknotes are initially capitalized and are charged to the profit and loss statement upon transfer of banknotes to the auxiliary storage of the CBRT. Costs of finished and semi-finished banknotes include direct costs, depreciation costs, staff costs, transportation costs, and other printing costs

3.4.1.6. Provisions

According to Article 59 of the CBRT Law No. 1211, provisions, the amount of which shall be deemed appropriate by the Board, may be set aside from the gross annual profit of the Bank in order to cover certain risks that may occur in the following years due to the operations exclusive to the Bank.

3.4.1.7. Employee Benefits

Retirement pay and employee termination benefits are paid to employees in case of retirement or layoffs. The amount to be paid is calculated based on the title and tenure of the employee in accordance with the provisions of applicable laws.

Retirement pay and employee termination benefits are calculated according to the net present value of liabilities that are expected to arise due to the retirement of employees, and are reflected in financial statements.

3.4.1.8. Taxes

a) Current Taxes

The CBRT, which is established as a "joint stock company" as per Article 1 of the CBRT Law No. 1211, is a corporate taxpayer. The Bank is responsible for withholding tax on wages, outsourcing payments, interest on deposits, etc. as per Article 94 of the Income Tax Law No. 193, and on the payments made to firms subject to limited tax liability for real property income, self-employment earnings, and other earnings specified as per Article 30 of the Corporate Income Tax Law No. 5520.

The CBRT is a taxpayer of banking and insurance transactions tax (BITT).

Revaluation gains from assets and liabilities that are subject to Article 61 of the CBRT Law No. 1211 are not considered as a profit item for the year in which the revaluation is applied, and also not taken as an income item in the calculation of corporate tax base. Revaluation losses from assets and liabilities are not considered as an expense for the year in which the revaluation is applied, and also not taken as a loss item in the computation of corporate tax base.

Paid temporary taxes and taxes imposed on repo-reverse repo revenues and deducted from temporary taxes are monitored in item "16. Other Assets / 16.4 Other" on the balance sheet.

The corporate tax for the current period is reflected as expense in the profit and loss statement. Tax-related adjustments during the current reporting period are booked as of the date on which they are made.

The corporate income tax is calculated in accordance with subparagraph 1(a) of Article 9 of the Corporate Income Tax Law No. 5520, in the event that profits are generated in subsequent years.

b) Deferred Tax

Deferred tax assets and liabilities arise from the tax effect of the temporary differences between the amounts of assets and liabilities in the financial statements and their book values based on the CBRT Law No. 1211 and tax laws. The deferred tax asset is reflected in the assets and the deferred tax liability is reflected in the liabilities on the balance sheet.

Tax expense of the current year includes the related period's corporate tax and the change in the deferred tax income.

Pursuant to Article 61 of the CBRT Law No. 1211, the calculation of deferred taxes is not done over the "Revaluation Account," which is not subject to the corporate tax base.

As per the General Communiqué on TPL No. 555, deferred tax assets are calculated on temporary differences between depreciation of fixed assets adjusted for inflation and unadjusted depreciation as presented in the financial statements.

No deferred tax asset has been recognized over the 2023, 2024 and 2025 losses. The use of these rights will expire in 2028, 2029 and 2030, respectively.

3.4.1.9. Comparative Information and Adjustment of the Financial Statements of the Preceding Year

The CBRT's financial statements for the current year and the previous year are presented together to allow comparison of the financial position. For compatibility with the presentation of the current financial statements, when necessary, the comparative information is reclassified and any significant differences are explained.

3.4.1.10. Custody Operations

Custody assets held by the CBRT on behalf of individuals and financial institutions are monitored in regulating accounts.

3.4.2. Explanations Related to Financial Statements Items

3.4.2.1. Gold

Gold holdings are composed of 811,419,239 net grams of gold of international standards equivalent to TRY 4,817,061,208,973 and 2,832,327 net grams of gold of non-international standards equivalent to TRY 16,814,359,191. While some part of the gold of international standards belongs to the CBRT, the rest is placed with the CBRT by the Treasury and banks to meet their reserve requirements and as free deposit accounts. Gold holdings of international standards are stored in the vaults of the CBRT and held at the BIST and the Bank of England (BoE).

Table 3.4.2.1.1: Gold

	2025		2024	
	Net Gram	**TRY**	**Net Gram**	**TRY**
Gold of international standards	811,419,239	4,817,061,208,973	766,717,431	2,266,929,626,009
Owned by CBRT	536,143,698	3,182,863,907,739	508,885,577	1,504,606,187,568
At BoE	119,200,980	707,647,035,234	111,769,886	330,466,552,086
At CBRT	34,015,944	201,938,624,147	34,015,936	100,573,862,823
At BIST	382,926,774	2,273,278,248,357	363,099,755	1,073,565,772,659
Reserve requirements of banks	151,004,427	896,450,972,290	123,042,349	363,795,493,382
At BoE	85,499,869	507,577,440,306	61,902,183	183,024,261,999
At BIST	65,504,558	388,873,531,984	61,140,166	180,771,231,383
Free gold deposits of banks	78,990,655	468,934,921,968	73,711,999	217,941,979,174
At BIST	78,990,655	468,934,921,968	73,711,999	217,941,979,174
Owned by Treasury	45,280,460	268,811,406,976	61,077,506	180,585,965,885
At BIST	45,280,460	268,811,406,976	61,077,506	180,585,965,885
Gold of non-international standards	2,832,327	16,814,359,191	2,832,327	8,374,254,550
Owned by CBRT	2,832,218	16,813,709,254	2,832,218	8,373,930,854
Collection (Owned by CBRT)	109	649,938	109	323,696

Note: Gold holdings are valued based on 1 ounce of gold = 31.1035 grams using the price 4,307.95 USD/Ounce (December 31, 2024: 2,610.85) and USD buying rate of TRY 42.8623 as of December 31, 2025 (December 31, 2024: TRY 35.2233). Accordingly, the price of 1 net gram of gold is (4,307.95 x 42.8623) / 31.1035 = TRY 5,936.59.

Gold holdings of international standards are held by the CBRT as part of foreign currency reserves, and they account for 61.06% (December 31, 2024: 41.46%) of total foreign currency reserves.

Gold deposited by banks for reserve requirements, which amounts to 151,004,427 net grams equivalent to TRY 896,450,972,290; gold deposited as free gold deposits, which amounts to 78,990,655 net grams equivalent to TRY 468,934,921,968; and 45,280,460 net grams of Treasury gold equivalent to TRY 268,811,406,976 are also followed under this item.

Gold holdings of non-international standards belong to the CBRT, and all are stored in the vaults of the CBRT. These are recognized in the assets of the balance sheet under “16. Other Assets.”

3.4.2.2. Foreign Banknotes

As of December 31, 2025, the TRY equivalent of foreign banknotes in the vaults of the CBRT was TRY 30,094,095,393.

Table 3.4.2.2.1: Foreign Banknotes

	2025	2024
Foreign banknotes	30,094,095,393	44,690,635,793

3.4.2.3. Foreign Correspondents

Table 3.4.2.3.1: Foreign Correspondents (Assets)

	2025		2024	
	TRY	**USD Equivalent**	**TRY**	**USD Equivalent**
FX securities	1,072,206,936,181	25,015,151,688	873,294,273,869	24,793,085,085
Deposits	297,198,987,580	6,933,808,675	632,403,342,531	17,954,119,646
Other	1,666,421,288,469	38,878,485,020	1,645,262,491,639	46,709,493,195
Demand deposit	1,342,145,261,270	31,312,954,771	1,391,538,025,168	39,506,179,863
SDR holding account	324,275,991,913	7,565,529,426	253,720,570,851	7,203,202,734
Other	35,286	823	3,895,619	110,598
TOTAL	**3,035,827,212,230**	**70,827,445,383**	**3,150,960,108,039**	**89,456,697,926**

The "3. Foreign Correspondents" item, which represents the main part of the FX reserves of the CBRT and is presented in the assets of the balance sheet, consists of FX securities carried at fair value, deposit accounts in foreign correspondents, and current accounts.

The balances of the "4. Foreign Correspondents" item presented in the liabilities of the balance sheet as of December 31, 2025 and December 31, 2024 are shown below.

Table 3.4.2.3.2: Foreign Correspondents (Liabilities)

	2025		2024	
	TRY	**USD Equivalent**	**TRY**	**USD Equivalent**
Cash	154,860,877,483	3,612,985,712	350,671,792,505	9,955,676,853
Gold	178,097,615,660	4,155,111,034	88,700,065,894	2,518,221,345
TOTAL	**332,958,493,143**	**7,768,096,746**	**439,371,858,399**	**12,473,898,198**

3.4.2.4. Balances Arising from Türkiye's Membership in the International Monetary Fund

Within the framework of the financial relations arising from Türkiye's membership in the IMF, Türkiye's quota paid in gold and foreign currency is represented on the balance sheet under "4. Reserve Tranche Position" in assets and "5. Reserve Tranche Means" in liabilities. Of this amount totaling SDR 112,889,638, SDR 37,750,000 was paid in gold. Türkiye's IMF quota reached SDR 4,658 million by February 18, 2016.

Table 3.4.2.4.1: Balances Arising from Türkiye's Membership in the IMF

	2025		2024	
	TRY	**SDR**	**TRY**	**SDR**
Assets				
Reserve tranche position	6,639,446,013	112,889,638	5,196,343,904	112,889,638
Treasury liabilities due to SDR allocation	325,614,927,509	5,536,388,310	254,841,614,826	5,536,388,310
Liabilities				
Reserve tranche means	6,639,446,013	112,889,638	5,196,343,904	112,889,638
SDR allocation	325,614,927,509	5,536,388,310	254,841,614,826	5,536,388,310

The SDR 112,307,000 allocated to Türkiye by the IMF and used by the Ministry of Treasury and Finance, the General and Special SDR Allocation in the amount of SDR 959,022,729 in 2009 and the General SDR Allocation of 4,465,058,581 made in 2021 are monitored under "10. Treasury Liabilities due to SDR Allocation" in assets and "6. SDR Allocation" in liabilities.

3.4.2.5. Securities

As of December 31, 2025, the fair value of securities was TRY 245,737,421,652.

Table 3.4.2.5.1: Securities

	2025		2024	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Government bonds and Treasury bills issued by the Ministry of Treasury and Finance	251,511,260,096	235,358,764,152	168,893,646,086	129,076,988,841
Lease certificates issued by the Ministry of Treasury and Finance	10,269,506,170	10,378,657,500	9,469,615,870	9,468,257,170
TOTAL	**261,780,766,266**	**245,737,421,652**	**178,363,261,956**	**138,545,246,011**

3.4.2.6. Lending and Liabilities Related to Monetary Policy Operations

The "6. Lending Related to Monetary Policy Operations" item in the assets of the balance sheet, which represents cash receivables of the CBRT, had a balance of TRY 303,379,867,782 as of December 31, 2025. The income accruals reflected in this item amount to TRY 379,867,946 for repurchase agreements (December 31, 2024: TRY 12,475,797). No balance was recorded for Interbank Money Market operations (December 31, 2024: TRY 7,559,938) and reciprocal deposit transactions.

The "2. Liabilities Related to Monetary Policy Operations" item in the liabilities of the balance sheet, which represents cash debts of the CBRT, had a balance of TRY 765,182,233,887. The expense accruals reflected in this item had no balance for reverse repurchase agreements but amount to TRY 805,753,887 for Interbank Money Market operations (December 31, 2024: TRY 470,092,044).

Table 3.4.2.6.1: Lending/Liabilities Related to Monetary Policy Operations

	2025	2024
Assets		
Lending Related to Monetary Policy Operations	**303,379,867,782**	**4,020,035,720**
Open market operations	303,379,867,782	2,979,142,450
Interbank money market operations	-	1,040,893,270
Other	-	-
Liabilities		
Liabilities Related to Monetary Policy Operations	**765,182,233,887**	**254,802,092,044**
Open market operations	-	-
Interbank money market operations	765,182,233,887	254,802,092,044
Lending Related to Monetary Policy Operations (Net)	**-461,802,366,105**	**-250,782,056,324**

3.4.2.7. Domestic Banks

The "7. Domestic Banks" item represents FX deposit operations with the CBRT acting as a counterparty, FX deposit operations intermediated by the CBRT, FX deposits against TRY deposits operations, and transactions for conversion to Turkish lira deposit and participation accounts to be transferred to the related accounts at value date. This item had a balance of TRY 4,749,280,896 as of December 31, 2025 (December 31, 2024: TRY 4,456,806,422).

Table 3.4.2.7.1: Domestic Banks

	2025	2024
Transactions for conversion to Turkish lira deposit and participation accounts	4,749,280,896	4,456,806,422
TOTAL	**4,749,280,896**	**4,456,806,422**

3.4.2.8. Credits and Non-Performing Loans

Domestic credits, which are extended to banks against rediscounted bills in foreign currencies, consist of USD 913,293,03 (December 31, 2024: USD 839,770,000), EUR 1,740,624,000 (December 31, 2024: EUR 1,460,920,000), CNY 3,740,311,151 (December 31, 2024: CNY 1,954,019,548) equivalent of TRY 149,773,186,284 (December 31, 2024: TRY 93,586,905,666) as well as credits extended to banks against bills in Turkish lira amounting to TRY 771,549,314,065 (December 31, 2024: TRY 495,589,558,555) and advance loans against investment commitment of TRY 102,451,665,313 (December 31, 2024: TRY 93,063,241,845). As of December 31, 2025, no credits were extended to banks against rediscounted bills in AED (December 31, 2024: AED 99,897,731). The balance of domestic credits including rediscounts was TRY 939,240,223,435 as of December 31, 2025 (December 31, 2024: TRY 620,995,349,368).

Foreign credits consist of credits extended to the Central Bank of Sudan. In accordance with the banking agreement between the CBRT and the Central Bank of Sudan, foreign credits extended amount to USD 9,061,417 (December 31, 2024: USD 9,061,417) equivalent to TRY 388,393,159 (December 31, 2024: TRY 319,172,998).

Table 3.4.2.8.1: Credits and Non-Performing Loans

	2025	2024
Domestic credits	939,240,223,435	620,995,349,368
Foreign credits	388,393,159	319,172,998
Non-performing loans (Net)		
Non-performing loans	69,169,881,820	56,549,804,331
Provisions for non-performing loans	-69,169,881,820	-56,549,804,331
TOTAL	**939,628,616,594**	**621,314,522,366**

Note: Interest accrued to the claims on the Central Bank of Iraq is USD 8,303,896 (December 31, 2024: USD 8,281,126) equivalent to TRY 330,444,954 (December 31, 2024: TRY 273,478,668).

The claims on the Central Bank of Iraq are USD 1,521,195,243 (December 31, 2024: USD 1,512,891,348) equivalent to TRY 65,201,926,879 (December 31, 2024: TRY 53,289,025,809). The total of claims arising from the credit extended against bills for the Iraq Bekhme Dam Project is USD 92,574,475 (December 31, 2024: USD 92,574,475) equivalent to TRY 3,967,954,940 (December 31, 2024: TRY 3,260,778,522). The principal of and the monthly interest accrued on the amount of the loan extended to the Central Bank of Iraq are valued on a daily basis, and provisions are set aside for the resulting exchange rate difference as per Article 323 of the TPL No. 213 and Article 59 of the CBRT Law No. 1211. These provisions are monitored in profit/loss accounts. As the claim amounting to TRY 69,169,881,820 (December 31, 2024: TRY 56,549,804,331) was netted with the provisions, the non-performing loans item had no balance as of December 31, 2025.

3.4.2.9. Share Participations

The CBRT has share participations in the BIS, the Society for Worldwide Interbank Financial Telecommunications (SWIFT), the International Islamic Liquidity Management Corporation (IILM), and the BKM.

The share participation in the BIS, which was acquired under the scope of central banking activities, is recognized at fair value calculated as 70% of the net asset value of the BIS.

Table 3.4.2.9.1:
Share Participations

		2025			2024		
Participation	**Nature of Business**	**Ownership (%)**	**TRY**	**Foreign Currency**	**Ownership (%)**	**TRY**	**Foreign Currency**
BIS	Banking regulation services	1.41	18,399,422,094	SDR 10,000,000	1.41	12,199,396,737	SDR 10,000,000
SWIFT	Electronic fund transfer services	0.007	3,779,954	EUR 74,920	0.007	2,363,303	EUR 64,320
IILM	Liquidity management	13.68	584,255,675	USD 13,630,992	13.45	406,630,890	USD 11,544,372
BKM	Payment services	51.01	90,543,079	-	51.01	90,543,079	-
TOTAL			**19,078,000,802**			**12,698,934,009**	

Movements in share participations are shown below:

Table 3.4.2.9.2: Movements in Share Participations

	2025	2024
Balance on January 1	12,698,934,009	9,997,240,896
IILM capital increase	80,451,714	49,644,157
Fair value changes	6,298,615,079	2,652,048,956
Balance	**19,078,000,802**	**12,698,934,009**

3.4.2.10. Fixed Assets (Net)

The CBRT's fixed assets consist of land, buildings, furniture and fixtures, and software products.

Table 3.4.2.10.1: Movements in Fixed Assets

	Land and Buildings	Furniture and Fixtures	Software	Total
Net book value on January 1	960,320,955	1,768,435,969	41,845,767	2,770,602,691
Additions/Transfers (*)	11,746,036,074	1,559,696,545	228,734,485	13,534,467,104
Disposals (net) (**)	-	-197,525	-	-197,525
Depreciation charge	-55,775,634	-305,882,981	-31,714,971	-393,373,586
Net book value	**12,650,581,395**	**3,022,052,008**	**238,865,281**	**15,911,498,684**

(*) TRY 11,638,058,658 is transferred from the "Other Assets" item.
(**) Disposals are shown net of accumulated depreciation.

2025	**Land and Buildings**	**Furniture and Fixtures**	**Software**	**Total**
Book value	12,941,844,246	4,137,254,311	465,402,872	17,544,501,429
Accumulated depreciation	-291,262,851	-1,115,202,303	-226,537,591	-1,633,002,745
Net book value	**12,650,581,395**	**3,022,052,008**	**238,865,281**	**15,911,498,684**

2024	**Land and Buildings**	**Furniture and Fixtures**	**Software**	**Total**
Book value	1,195,808,172	2,594,666,779	236,668,387	4,027,143,338
Accumulated depreciation	-235,487,217	-826,230,810	-194,822,620	-1,256,540,647
Net book value	**960,320,955**	**1,768,435,969**	**41,845,767**	**2,770,602,691**

3.4.2.11. Other Assets

Table 3.4.2.11.1: Other Assets

	2025	2024
Gold of non-international standards	**16,814,359,191**	**8,374,254,550**
Coins	**186,030,954**	**165,656,229**
Income accruals	**2,212,502,039**	**1,948,732,854**
Charges and commissions due from the Treasury	328,568,668	238,366,645
EFT fees	406,194,350	299,859,214
Other	1,477,739,021	1,410,506,995
Other	**63,932,875,511**	**66,756,613,979**
Prepaid taxes to be deducted from corporate tax	-	3,467,565,011
Income tax withholding to be deducted from corporate tax	22,864,770,101	6,370,880,938
Depots	1,595,480,750	953,245,133
Prepaid expenses	115,741,144	119,452,498
Other (*)	39,356,883,516	55,845,470,399
TOTAL	**83,145,767,695**	**77,245,257,612**

(*) TRY 11,638,058,658 is transferred to the “Fixed Assets” item (2024: no records).

3.4.2.12. Currency Issued

Table 3.4.2.12.1: Currency Issued

	2025	2024
Balance on January 1	645,236,535,423	448,822,892,318
Banknotes put into circulation	291,834,781,245	262,996,926,785
Banknotes withdrawn and banknotes destroyed	-72,481,203,620	-66,583,283,680
Balance	**864,590,113,048**	**645,236,535,423**

The total balance of banknotes in circulation by December 31, 2025 was TRY 864,590,113,048.

3.4.2.13. Deposits

Table 3.4.2.13.1: Deposits

	2025	2024
Public sector deposits	**1,372,618,949,063**	**1,001,301,087,684**
Treasury, general and special budget administrations	1,372,377,347,799	1,001,094,616,970
Cash	1,103,565,940,823	820,508,651,085
Gold	268,811,406,976	180,585,965,885
Other	241,601,264	206,470,714
Banking sector deposits	**7,636,827,083,560**	**5,933,326,917,001**
Domestic banks	3,213,246,940,930	2,859,031,135,105
Deposits of banks	533,814,620,140	337,420,000,379
Cash	173,478,973,031	167,799,441,799
Collaterals	69,498,340,800	40,378,645,300
Cash	69,498,340,800	40,378,645,300
Gold	-	-
Gold	290,837,306,309	129,241,913,280
Free required reserves	2,679,432,320,790	2.521,611,134,726
Foreign correspondents	728,633,945,610	774,655,377,027
Required reserves in blocked accounts	3,694,946,197,020	2,299,640,404,869
Cash	2,798,495,224,730	1,935,844,911,487
Gold	896,450,972,290	363,795,493,382
Other deposits	**15,171,041,308**	**14,319,759,245**
Deposits by citizens abroad	4,922,310,894	4,274,265,165
Deposits by international institutions	722,026,086	610,467,885
IMF	613,454,966	502,254,882
Other	108,571,120	108,213,003
Extrabudgetary funds	473,801,201	784,528,975
Other	9,052,903,127	8,650,497,220
Financing companies	9,043,514,262	8,645,468,132
Deposits by embassies	34,279	28,484
Other	9,354,586	5,000,604
TOTAL	**9,024,617,073,931**	**6,948,947,763,930**

3.4.2.14. Tax Liability

The amount of corporate tax to be charged on taxable corporate income is calculated over the tax base generated by adding non-deductible expenses to the profit and deducting non-taxable income and allowances.

Table 3.4.2.14.1: Taxes to be Paid

	2025	2024
Corporate tax	-	-
Other taxes	6,207,470,327	3,016,599,941
Obligations as taxpayer	888,589,875	541,951,004
Obligations as withholding tax collector	5,318,880,452	2,474,648,937
TOTAL	**6,207,470,327**	**3,016,599,941**

The corporate tax rate for 2025 is 30% (2024: 30%). In Türkiye, the advance tax is calculated and accrued on a quarterly basis. The advance tax rate is 30% for 2025 (2024: 30%).

For temporary differences arising from the differences in the provisions of the TCC and the tax legislation, deferred tax asset or liability is calculated over 30% (2024: 30%).

The breakdown of temporary differences and the resulting deferred tax assets/liabilities as of December 31, 2025 is as follows:

Table 3.4.2.14.2: Temporary Differences and Deferred Tax Assets/Liabilities

	2025		2024	
	Total Temporary Differences	**Deferred Tax Assets/ Liabilities**	**Total Temporary Differences**	**Deferred Tax Assets/ Liabilities**
Total assets	17,950,718,226	5,385,215,468	12,432,803,182	3,729,840,954
Retirement pay and employment termination benefit obligations	1,930,022,394	579,006,718	1,432,377,491	429,713,247
Depreciation adjustment for fixed assets	16,020,695,833	4,806,208,750	11,000,425,691	3,300,127,707
Total liabilities	-17,811,286,094	-2,671,692,914	-11,739,093,737	-1,760,864,060
Fair value adjustment of the BIS participation share	-17,811,286,094	-2,671,692,914	-11,739,093,737	-1,760,864,060
Net Assets/Liabilities	**139,432,132**	**2,713,522,554**	**693,709,445**	**1,968,976,894**

Table 3.4.2.14.3: Deferred Tax Asset/Liability Movements

	2025	**2024**
Balance on January 1	1,968,976,894	2,002,652,646
Deferred tax related to profit and loss statement (net)	1,655,448,532	1,036,140,912
Deferred tax related to other liability accounts	-910,902,872	-1,069,816,664
Balance	**2,713,522,554**	**1,968,976,894**

3.4.2.15. Provisions

Table 3.4.2.15.1: Provisions

	2025	**2024**
Retirement pay and employment termination benefit provisions	2,191,875,606	1,630,639,397
Insurance provision for money in transit	243,056,337	243,056,337
TOTAL	**2,434,931,943**	**1,873,695,734**

The year-end balance of the insurance provision for the money in transit, which is set aside pursuant to Article 59 of the CBRT Law No. 1211, was TRY 243,056,337 as of December 31, 2025.

As per the Act No. 5434 on the Retirement Fund of the Republic of Türkiye and the Turkish Labor Law No. 1475, employers are obliged to pay retirement pay or employment termination benefits to their employees whose contracts have expired, or who are eligible to retire with a right to receive retirement pay and employment termination benefits.

Provisions for retirement pay and employment termination benefits are calculated by estimating the present value of the prospective future obligation of the CBRT arising from the retirement of its employees. Accordingly, the actuarial assumptions used in calculating total liabilities are presented below.

The principal actuarial assumption is that the maximum liability for each year of service will increase in tandem with the inflation rate. Therefore, the discount rate applied represents the expected real rate adjusted for future inflation effects. For this reason, provisions in the financial statements as of December 31, 2025 were calculated by estimating the present value of the prospective future liability arising from retiring employees.

The ceiling amount of termination benefit is revised every six months. While calculating the provision for the termination benefit liabilities of the CBRT's employees, the ceiling amount of TRY 53,920 (December 31, 2024: TRY 41,828) that took effect as of July 1, 2025 was taken into account.

The change in the retirement pay and employment termination benefit liabilities is shown below:

Table 3.4.2.15.2: Change in Retirement Pay and Employment Termination Benefit Liabilities

	2025	2024
Balance on January 1	1,630,639,397	885,429,648
Provision set aside	620,391,733	780,050,764
Retirement pay and employment termination benefit paid	-59,155,524	-34,841,015
Balance	**2,191,875,606**	**1,630,639,397**

3.4.2.16. Capital and Reserves

The CBRT's total capital is TRY 25,000 and divided into 250,000 registered shares, each with a value of TRY 0.10.

Table 3.4.2.16.1: Capital and Reserves

	2025	2024
Paid-in capital	25,000	25,000
Inflation adjustment for paid-in capital	46,208,524	46,208,524
Reserves	334,168,579	334,168,579
Reserves	-	-
Special reserves	334,168,579	334,168,579
TOTAL	**380,402,103**	**380,402,103**

The shareholders of the CBRT by December 31, 2025 and December 31, 2024 are as follows:

Table 3.4.2.16.2: Shareholders of the CBRT

	2025		2024	
	Share (TRY)	Share (%)	Share (TRY)	Share (%)
Ministry of Treasury and Finance	13,780	55.12	13,780	55.12
T.C. Ziraat Bankası	4,806	19.22	4,806	19.22
Mervak İç ve Dış Ticaret A.Ş.	1,280	5.12	1,280	5.12
T. Garanti Bankası	621	2.48	621	2.48
T. İş Bankası	582	2.33	582	2.33
T. Halk Bankası	277	1.11	277	1.11
Yapı ve Kredi Bankası	139	0.56	139	0.56
Akbank	8	0.03	8	0.03
ING Bank	5	0.02	5	0.02
Türk Ekonomi Bankası	2	0.01	2	0.01
Other	3,500	13.99	3,500	13.99
Paid-in Capital	**25,000**	**100.00**	**25,000**	**100.00**

3.4.2.17. Revaluation Account

Table 3.4.2.17.1: Revaluation

	2025	2024
Revaluation account (Assets)	-	491,148,756,096
Revaluation account (Liabilities)	1,031,855,948,724	-

This item, which shows the unrealized gains and losses arising from the valuation of FX, banknotes, other assets and liabilities denominated in foreign currency and gold in the assets and liabilities of the CBRT due to changes in the value of the Turkish lira against foreign currencies and changes in gold prices in international markets, had a balance of unrealized gain amounting to TRY 1,031,855,948,724 by December 31, 2025.

3.4.2.18. Other Liabilities

Tablo 3.4.2.18.1: Other Liabilities

	2025	2024
Letters of credit	5,342,165,051	4,401,054,625
Expense accruals	1,652,788,857	1,505,357,830
Other	36,187,092,283	26,421,045,908
Difference arising from accounting policy changes	15,142,943,516	9,981,160,573
Blocked accounts as per the decisions of tax offices, debt enforcement offices, and courts	42,031,261	32,348,578
Amounts to be debited to foreign correspondent accounts on next year's value date	6,638,093,277	3,021,948,492
Other	14,364,024,228	13,385,588,265
TOTAL	**43,182,046,191**	**32,327,458,363**

3.4.2.19 Regulating Accounts

Regulating accounts, which are expressed in terms of Turkish lira, FX, and units, had a total balance of 16,335,437,252,449 as of December 31, 2025 (December 31, 2024: 11,832,795,765,410).

3.4.2.20. Profit/Loss Accounts

Table 3.4.2.20.1: Profit/Loss Accounts

	2025	2024
NET INTEREST INCOME/EXPENSE	**-898,488,575,631**	**-261,022,874,810**
Interest Income	**455,087,761,770**	**493,452,113,266**
TRY and FX securities portfolio	92,299,147,133	48,877,097,047
Repo transactions	146,378,222,377	26,668,821,330
Interbank money market operations	5,659,666,725	2,777,594,367
Credits	162,981,420,312	127,641,345,075
Banks	47,769,305,223	287,487,255,447
Interest Expenses	**-1,353,576,337,401**	**-754,474,988,076**
FX deposits by citizens abroad	-	-229
Reverse repo transactions	-534,642,073	-1,087,760,896
Interbank money market operations	-260,682,778,407	-110,357,455,831
Liquidity bills	-10,542,958,171	-
Ministry of Treasury and Finance accounts	-238,382,432,921	-212,975,149,822
IMF general resource account charges	-8,941,950,966	-9,410,078,536
TRY required reserves	-748,227,953,642	-356,625,520,499
Banks	-86,263,621,222	-64,019,022,263
NET FEE AND COMMISSION INCOME/EXPENSE	**11,935,726,933**	**26,233,519,742**
Fee and Commission Income	**12,632,618,107**	**26,654,375,896**
EFT transaction fees and commissions	5,117,930,826	3,663,489,092
Commissions due from the Ministry of Treasury and Finance	4,550,108,547	3,380,453,481
Commission and maintenance fees due from banks	2,266,683,476	19,121,391,990
Other fund transfer fees	49,170,557	33,124,453
Fees charged to banks within the context of CMS	376,624,923	295,829,089
Other	272,099,778	160,087,791
Fee and Commission Expenses	**-696,891,174**	**-420,856,154**
Commission and maintenance fees paid to banks	-688,052,883	-413,930,902
Other	-8,838,291	-6,925,253
NET NON-INTEREST INCOME/EXPENSE	**-179,977,921,601**	**-466,600,900,776**
Non-Interest Income	**137,240,085,768**	**68,990,987,921**
Profit on purchase and sale of FX and gold	104,594,417,873	54,309,555,147
Securities portfolio trading income and increase in fair value	27,919,842,128	4,383,767,658
Dividend income	233,420,925	167,305,144
Other	4,492,404,841	10,130,359,972
Non-Interest Expenses	**-317,218,007,369**	**-535,591,888,697**
Loss on purchase and sale of FX and gold	-114,807,960,731	-266,047,273,450
Securities portfolio trading loss and decrease in fair value	-	-3,150,606,576
Provision expenses for non-performing loans	-12,620,077,488	-9,531,561,777
Wages and salaries	-14,301,151,437	-9,468,291,655
Social security costs	-1,635,101,455	-1,463,551,112
Operating expenses	-2,181,751,272	-1,494,718,725
Banknote paper and ink expenses	-4,674,875,428	-2,639,437,623
Depreciation charges	-389,745,603	-375,577,164
Other (*)	-166,607,343,954	-241,420,870,615
PROFIT/LOSS BEFORE TAX	**-1,066,530,770,299**	**-701,390,255,844**
DEFERRED TAX INCOME/EXPENSE	**1,655,448,532**	**1,036,140,912**
REPORTED LOSS OF THE PERIOD	**-1,064,875,321,767**	**-700,354,114,932**

(*) On December 31, 2024, the CBRT terminated transactions of FX-protected deposits converted from TRY, which were transferred to the CBRT pursuant to the Provisional Article 2 of Law No. 7456 of July 14, 2023. Expenses related to transactions of FX-protected deposits converted from FX and other FX earning transactions (YUVAM – Deposit and Participation Scheme for Non-Resident Turkish Citizens – and physical gold, etc.) amounted to TRY 166,475,523,380 (2024: TRY 240,166,792,451).

3.4.2.21. Profit Distribution

Paragraph 5 of Article 64 of the TCC Law No. 6102 stipulates that natural and legal persons, who are subject to the TCC, are also obliged to conform to the provisions of the TPL No. 213 concerning bookkeeping and recording time as well as the regulations made based on the powers given by Article 175 and the repeated Article 257 of the same law. According to the aforementioned paragraph, provisions of Law No. 6102 concerning bookkeeping, inventory, financial statement preparation, capitalization, provisions, accounts, valuation, maintenance, and submission do not impede the implementation of Law No. 213 and the related provisions of other tax laws, nor the determination of the tax base in compliance with tax laws and the preparation of related financial statements.

Pursuant to Article 60 of the CBRT Law No. 1211 and Article 64 of the TCC No. 6102, and as stated in its accounting books kept according to the provisions of the TPL No. 213, the loss of the CBRT for 2025 totaling TRY 1,067,698,307,260 is presented below:

Table 3.4.2.21.1: Distribution of Profit (Article 60 of Law No. 1211)

	2025	2024
Reported profit/loss of the period (TCC No. 6102)	**-1,064,875,321,767**	**-700,354,114,932**
Reporting adjustments	-2,822,985,493	4,675,387,312
Loss of the period (TPL No. 213)	**-1,067,698,307,260**	**-695,678,727,620**
Tax provisions (-)	-	-
Corporate income tax	-	-
Profit after tax	-	-
Other distributions (-)	-	-
1-Reserves	-	-
2-Shareholders	-	-
First dividends	-	-
Second dividends	-	-
3-Bonus to the personnel (Article 60(c) of Law No. 1211)	-	-
The Amount to be Transferred to the Ministry of Treasury and Finance	**-**	**-**

3.4.2.22. Previous Years' Losses

The loss of TRY 700,354,114,932 reported in 2024 was recorded under the "Previous Years' Losses" item. Pursuant to Article 509 of the TCC No. 6102, no dividends or reserve funds will be distributed until the settlement of the remaining "Previous Years' Losses" amounting to TRY 1,509,206,898,275 as of December 31, 2025.