ANNUAL REPORT

2025

TÜRKİYE CUMHURİYET
MERKEZ BANKASI

The separators between the sections of the 2025 Annual Report are the following pieces from the Exhibition of International Photo Contest “Economy and the Human Being” organized by the CBRT:

- **“Pottery Craftsman” by Süleyman Çam**
- **“Fisherman” by Erdoğan Purçlutepe**
- **“The Greenhouse” by Emrah Işık**

CENTRAL BANK OF THE REPUBLIC OF TÜRKİYE

Trade Registry Number: 269
2025 Annual Report
Prepared by the Board for
the Ninety-Fourth Accounting Year
Submitted to the General Assembly of
Shareholders on April 27, 2026
Ankara
2026

Address
Türkiye Cumhuriyet Merkez Bankası (Central Bank of the Republic of Türkiye)
İdare Merkezi (Head Office)
Hacı Bayram Mahallesi
İstiklal Caddesi No: 10
06050 Ulus Altındağ / Ankara

Phone: +90 (312) 507 50 00
Fax: +90 (312) 507 56 40
Website: http://www.tcmb.gov.tr
Registered e-mail: merkezbankasi@hs02.kep.tr

@Merkez_Bankasi (Turkish)
@CentralBank_TR (English)
@TCMBBlog (CBRT Blog)
@TCMB_Arastirma (Research Agenda)

@merkez_bankasi

Türkiye Cumhuriyet Merkez Bankası

merkezbankasi

@Merkez_Bankasi

Türkiye Cumhuriyet Merkez Bankası

Türkiye Cumhuriyet Merkez Bankası

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“Portrait of Atatürk”
Jean Axel Weinberg
Mixed Technique on Plywood and Photograph
1931

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Abbreviations

ALAIC	Advance Loans Against Investment Commitment
ASPSP	Account Servicing Payment Service Provider
BCBS	Basel Committee on Banking Supervision
BDP	Big Data Platform
BIS	Bank for International Settlements
BIST	Borsa İstanbul
BKM	Interbank Card Center
CBRT	Central Bank of the Republic of Türkiye
CCD	Consignment Coin Depot
COMCEC	Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation
CPI	Consumer Price Index
CRA	Credit Rating Agencies
DFIF	Support and Price Stabilization Fund
DSSP	Data Sharing Services in the Field of Payments
EBC	European Banknote Conference
EBRD	European Bank for Reconstruction and Development
ECCBSO	European Committee of Central Balance Sheet Data Offices
EDRC	Economic and Development Review Committee
EFT	Electronic Fund Transfer System
ERP	Economic Reform Programs
ESTS	Electronic Securities Transfer System
EU	European Union
EVDS	Electronic Data Delivery System
FAST	Instant and Continuous Transfer of Funds System
FNS	Funding Need of the Banking System
Food Committee	Food and Agricultural Product Markets Monitoring and Evaluation Committee
Food-EWS	Food Early Warning System
FSB	Financial Stability Board
FV	Fair Value
FX-adjusted	Adjusted for Exchange Rate Effects
GDDS	Government Domestic Debt Securities
GDP	Gross Domestic Product
GNAT	Grand National Assembly of Türkiye
IBAN	International Bank Account Number
IMF	International Monetary Fund
KKM	FX-Protected Deposit
KOLAS	Easy Addressing System
LCR	Liquidity Coverage Ratio
MENA	Middle East and North Africa
MONY	Decentralized Cash Management
MPC	Monetary Policy Committee
OECD	Organization for Economic Co-Operation and Development
OIC	Organization of the Islamic Cooperation
OMO	Open Market Operations
OR	Overdue Receivables
OTS	Organization of Turkic States
PTT	T.C. Post and Telegraph Organization
RPS	Retail Payment System
RR	Reserve Requirement
SIPER	Security Overlay Service
SME	Small and Medium Sized Enterprise
TCC	Turkish Commercial Code
TPL	Tax Procedure Law
TPP	Authorized Third-Party Payment Service Provider
TRY	Turkish lira
Turk Eximbank	Export Credit Bank of Türkiye
VERİM	Data Research Center
WAFC	Weighted Average Funding Cost
WB	World Bank

Foreword

Fatih Karahan, Ph.D.
Governor

Price stability is a prerequisite for achieving sustainable growth and increased social welfare. The Central Bank of the Republic of Türkiye's (CBRT) primary objective is to achieve and maintain price stability, and we carried out our actions in line with this objective in 2025. In this framework, the CBRT made monetary policy decisions based on predictability and resoluteness to ensure the continuation of the disinflation process. Monetary policy decisions were also supported by macroprudential measures aimed at strengthening the monetary transmission mechanism and financial stability.

In 2025, global uncertainty exceeded historical averages, and protectionist trends in foreign trade increased significantly. Nevertheless, the unfavorable impacts of elevated uncertainty on global growth remained limited compared to preliminary expectations. Meanwhile, economic activity across the global economy remained weak throughout the year.

The weak outlook for global demand and supply-side developments continued to put downward pressure on crude oil prices, while energy and commodity prices remained low. Additionally, a significant success was achieved in the global disinflation process and many central banks continued to cut policy rates throughout the year. In 2025, factors such as the current level of interest rates, inflationary risks stemming from tariffs, and the growth-employment outlook played a major role in central banks' decisions.

In our country, economic activity remained moderate on an annual basis in 2025, with the growth rate standing at 3.6%. On the production side, while the services sector was the main driver of growth throughout the year, the industry and construction sectors also made positive contributions to growth. Agricultural value added declined due to a drop in crop production caused by agricultural frost and drought.

The disinflation process that started in June 2024 continued into 2025. The Consumer Price Index (CPI) fell by a total of 13.5 percentage points year-on-year, ending the year at 30.9%—remaining at the lower end of the forecast range presented in the last Inflation Report of 2025. Annual inflation of the B and C core inflation indicators decreased by 12.3% and 14.3% year-on-year, and stood at 31.7% and 31.1% at the end of 2025, respectively. Although inflation expectations and the pricing behavior displayed signs of improvement in 2025, they remained high, thereby continuing to pose a risk to the disinflation process.

The CBRT reduced the policy rate by a total of 500 basis points in January and March, bringing it down to 42.5%. To contain the risks that developments in financial markets could pose to the inflation outlook, at its interim meeting on March 20, 2025, the Monetary Policy Committee (MPC) decided to raise the overnight lending rate to 46%, keeping the policy rate and the overnight borrowing rate unchanged. On the same date, it was also decided to suspend one-week repo auctions. In April, the CBRT raised the policy rate to 46%, highlighting the impact of financial market developments on the underlying trend of inflation, and announced that one-week repo auctions that were formerly suspended would be resumed. After keeping the policy rate unchanged in June, the CBRT cut the policy rate by a total of 800 basis points in the subsequent meetings and had reduced the rate to 38% by December.

With the aim of enhancing the functionality of market mechanism, strengthening macrofinancial stability, and supporting the monetary transmission mechanism, the CBRT continued to implement macroprudential policy measures in 2025. The most significant step taken in this context was the termination of new openings and renewals of FX-Protected Deposit (KKM) accounts, and consequently, the removal of all targets related to KKM renewals and the transition to the Turkish lira. Measures aimed at increasing the share of Turkish lira deposits within total deposits and gradually reducing and phasing out KKM accounts supported the monetary policy stance in 2025.

In 2025, international reserves maintained an upward trend, with both gross and net reserves (excluding swaps) showing significant improvement. Accordingly, the strategy of accumulating international reserves will continue in 2026 as long as market conditions permit.

The CBRT will set the policy rate in 2026 at a level that ensures the tightness required by the disinflation process. The tight monetary policy stance, which will be maintained until price stability is achieved, will reinforce the disinflation process in 2026 through the channels of demand, exchange rates, and expectations. Should a significant and persistent deterioration in inflation be anticipated, the monetary policy stance will be tightened.

The CBRT will do whatever it takes in 2026 to ensure the continuation of disinflation and contribute to sustainable growth and increased social welfare; and we will continue our efforts with determination and dedication to reduce inflation in line with the intermediate targets we have set.

Strategic Plan of the Central Bank of the Republic of Türkiye for 2023-2025

OUR MISSION

To contribute to social welfare by achieving sustainable **price stability** and supporting **financial stability**

OUR VISION

To be a Central Bank that **leads** financial markets, payment systems, and digital transformation with its dynamic and innovative structure

OUR PRINCIPLES

Independence
Transparency and Accountability
Credibility
Public Interest
Effectiveness and Efficiency

OUR VALUES

Holistic View
Commitment to Ethical Values
Reputation
Sustainability
Cooperation

CBRT's Five Focus Areas

RESEARCH

- Data Management
- Model Ecosystem
- Policy Design
- Systemic Risk Management

OPERATION

- Organization and Business Processes
- Risk Management
- Infrastructure
- Cybersecurity

COMMUNICATION

- Multi-Layered Communication
- Cooperation
- İstanbul Financial Center
- Social Responsibility

INNOVATION

- Financial Innovation
- IT Architecture
- Payments Ecosystem
- Financial Architecture

PEOPLE

- Human Resources Analytics
- Talent Management
- Learning Organization
- Corporate Culture

A Glance at 2025

MONETARY POLICY AND DISINFLATION

Monetary policy decisions are made by taking into account realized and expected inflation and its underlying trend in a way to ensure the tightness required by the projected disinflation path. Accordingly, in 2025, the CBRT made monetary policy decisions prudently on a meeting-by-meeting basis with a focus on the inflation outlook and lowered the policy rate to 38% at the end of 2025.

In 2025, the CBRT kept implementing macroprudential policies to enhance the effectiveness of monetary transmission against the divergence in expectations of economic units and possible volatility, and the excess liquidity in the system was sterilized by using various instruments to enhance the effectiveness of the monetary transmission mechanism.

The disinflation process continued into 2025. Throughout the first half of 2025, falling commodity prices—particularly oil prices—supported the decline in inflation. Due to developments in financial markets, the Turkish lira depreciated in March and April, and the effects of this depreciation were observed not only on core goods inflation but also on producer prices.

Compared to the previous year, annual inflation decreased by 13.5 points to 30.9% in 2025. While inflation expectations decreased, the decline in households' and firms' expectations was remarkable.

Throughout 2025, similar to the previous year, private consumption's contribution to growth remained limited as financial conditions remained tight, while the contribution of total investments increased. Net exports made a negative contribution and constrained growth. In this context, economic activity remained moderate on an annual basis in 2025, and the growth rate stood at 3.6%.

From the production perspective, the services sector was the main driver of growth throughout the year, while the industry and construction sectors also contributed to the increase in growth. Agricultural value added declined due to the impact of the drop in crop production caused by frost and drought.

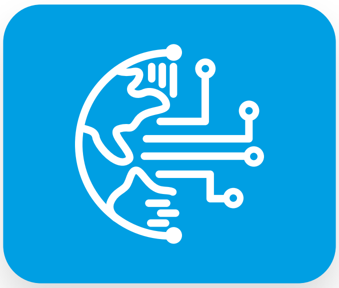
PLAIN, EFFECTIVE AND BILATERAL COMMUNICATION

In 2025, the CBRT continued to inform the public of policy measures aimed at price stability. In this context, it focused on enhancing the clarity and two-way nature of its communication. The CBRT prioritized presenting policy texts in a more accessible language through various formats. As part of a multi-layered communication strategy, decisions and announcements were communicated simultaneously across different channels.

- In 2025, the CBRT shared decisions of the Monetary Policy Committee (MPC), Inflation Reports, which are the main communication documents) as well as Financial Stability Reports, Monthly Price Developments, the Digital Turkish Lira Second Phase Progress Report, Working Papers and Research Notes on Economics on its website and on social media accounts.
- In 2025, the CBRT continued to use digital communication channels more effectively, adopting a clearer style of communication language. Corporate accounts were opened on the NSosyal and Instagram platforms. Short videos and infographics related to Inflation Report Briefings and Financial Stability Reports were shared. Content on key economic concepts began to be posted on Instagram.
- In 2025, the "CBRT Blog" was utilized extensively as a crucial tool for policy communication. 18 new analyses highlighting current economic developments, all written by CBRT staff, were posted on the blog, contributing to the monetary policy as well as the communication strategies.
- The CBRT launched the "Paper Contest for University Students". The aim of the contest is to give university students, who are interested in economics and closely follow current economic developments, an opportunity to express their own ideas. Applications for the contest started to be received in 2025, the results of the contest are scheduled to be announced in 2026.
- In 2025, the CBRT issued a call to join the Digital Turkish Lira Project ecosystem with an aim to enrich the second phase studies.
- Ödemelerin Merkezi website, which will host up-to-date information on the CBRT's work regarding the payments area such as the FAST System, the CBRT Payment Systems, the Digital Turkish Lira, TR QR Code, Open Banking, and the Security Overlay Service (SIPER), was launched on December 5, 2025. The launch of Ödemelerin Merkezi website was announced on the CBRT website, on social media platforms and a press release was issued as well.
- The launch of the Data Research Center (VERIM) facilitating secure access to micro-level data to encourage data-driven research was announced.
- The CBRT continued to hold Inflation Report Briefings in 2025 to ensure bilateral communication. At the Inflation Report Briefings, Governor and Deputy Governors answered questions of economists and press members. Moreover, Governor Fatih Karahan, Ph.D. gave interviews to the Anadolu Agency and Bloomberg News.
- Governor Fatih Karahan, Ph.D. made a live broadcast on "Monetary Policy and Macroeconomic Outlook" at the CBRT's premises at the İstanbul Financial Center, the program was broadcast on the CBRT website as well as on the official social media accounts.

- In the scope of the "Monetary Policy and Macroeconomic Outlook" meetings that started in 2025, Governor Fatih Karahan, Ph.D. convened with stakeholder groups, including representatives from the business community and civil society organizations, in Ankara and İstanbul, as well as in Eskişehir, Uşak, Denizli, Kayseri, Bursa, and Kocaeli. At those meetings, Mr. Karahan made presentations and answered questions from participants.

- As per the principle of accountability, Governor of the CBRT informs the members of the Plan and Budget Committee of the Grand National Assembly of Türkiye (GNAT) every year. In 2025, Governor Fatih Karahan delivered two presentations on the monetary policy and economic outlook at the GNAT Plan and Budget Committee and answered the members' questions enhancing transparency pertaining to the decision-making process.



MORE INTENSIVE AND EFFICIENT USE OF TECHNOLOGY AND FINANCIAL INFRASTRUCTURE

- Architectural Transformation efforts, which aimed to prepare the CBRT's technology for the future by liberating data and modernizing the infrastructure, have been completed and the infrastructure became open to innovation, independent, and flexible.
- The CBRT's building at the İstanbul Financial Center is the tallest building in Türkiye. The building's all technological infrastructure installations have been completed on time and the CBRT staff has moved from the old building to the new building the next day without a single second of loss of time.
- An infrastructure has been established to develop, monitor, and rapidly deploy artificial intelligence models, and orchestration tools have been introduced to integrate various AI systems. Artificial Intelligence has been used in software development processes, in the Electronic Document Management System, and operations regarding account-matching, increasing speed and efficiency.
- Efforts continued to enhance the CBRT's cybersecurity resilience and expand preventive controls.
- Work continued on the modernization of the Reserve Management Automation system; FX buying/ selling, risk management, and accounting processes were successfully re-launched after being enhanced with new technologies to provide a better user experience.
- By the end of 2025, the Instant and Continuous Transfer of Funds (FAST) System, which is a 24/7/365 instant payment system operated by the CBRT, had 49 participants, including 37 banks, 11 payment and electronic money institutions, and the T.C. Post and Telegraph Organization (PTT). Efforts to enhance competition and innovation in the payments area and to provide new and value-added services are going on.
- In early 2025, the "Accept Later – Pay Later" and "Accept Now – Pay Now" models, developed as part of the second phase of the Request to Pay Overlay Service, were launched. As part of the FAST-TR QR Code developments, it has become possible to make payments by scanning TR QR Codes generated on domestic devices through the mobile applications of cross-border institutions. Moreover, efforts have been made to increase awareness and promote the widespread use of the Easy Addressing System (KOLAS), FAST TR QR Code, and Request to Pay Overlay Service.
- Two Consignment Coin Depots (CCD) began operations in Edirne and Van provinces as part of the Consignment Coin Depot (CCD) practice. Consignment Coin Depots (CCD) are established to expand the service network offered to citizens by having coin transactions carried out by PTT on behalf of CBRT in order to regulate the volume and circulation of Turkish lira banknotes and coins.
- As part of the MONY project that was launched to ensure uninterrupted circulation of the Turkish lira and execution of banknote custody and processing activities on behalf of the CBRT, ten new Decentralized Cash Management (MONY) depots, four in Ankara, two each in İstanbul and Antalya, one each in Izmir and Adana were put into operation.

COORDINATION WITH NATIONAL AND INTERNATIONAL STAKEHOLDERS

In 2025, in line with its mandate and authority, the CBRT continued to carry out activities towards strengthening cooperation with national and international stakeholders and deepening existing relations. The CBRT actively engaged in meetings and events organized both in person and online, and organized meetings attended by the senior management, thus interacting and effectively communicating with both bilateral and multilateral stakeholders.

- The CBRT held 107 investor meetings involving domestic and foreign institutional investors, economists, analysts, and portfolio managers, and communicated with 831 institutions to ensure timely, accurate, and effective communication of monetary policies.
- In coordination with the Ministry of Treasury and Finance, six meetings were held with credit rating agencies (CRAs) throughout the year.
- The CBRT continued to take part in work related to international meetings organized by the G20, the International Monetary Fund (IMF), and the Bank for International Settlements (BIS). The CBRT participated in such meetings in coordination with internal and external stakeholders.
- As part of its mandate to monitor the economic and financial policies of member states and oversee the international monetary system, the IMF delegation visited Türkiye between October 30 and November 13, 2025. In the scope of this visit, the CBRT delegation participated in Article IV meetings.
- In connection with efforts to update Türkiye's Fiscal Transparency Assessment process, an IMF mission paid a visit to our country between November 14 and 28, 2025, and the CBRT delegation participated in the meetings held as part of that visit.
- The CBRT hosted the seventh meeting of the Organization of Islamic Cooperation (OIC) - Standing Committee for Economic and Commercial Cooperation (COMCEC) Central Banks Forum, of which it acts as the secretariat, in İstanbul on September 28-29, 2025.
- A CBRT delegation attended the first meeting of the Council of Central (National) Banks of the Member States of the Organization of Turkic States (OTS) hosted by the National Bank of Kazakhstan in Astana on May 27-28, 2025.
- In the scope of the work on country economic reports for member countries published by the Economic and Development Review Committee (EDRC) every two years, a meeting for the OECD Türkiye 2025 Economic Survey was held in Paris on February 17–19, 2025, with the participation of OECD-EDRC officials and a delegation from our country, which included representatives from the CBRT. The launch event for the 2025 OECD Türkiye 2025 Economic Survey, which also included a delegation from the CBRT, was held in İstanbul on April 10, 2025.
- In the scope of the international economic relations strategy, the CBRT engaged in many activities to enhance existing ties with partner central banks and establish new areas of cooperation. Accordingly, a total of 68 technical cooperation activities were held, out of which 51 were online meetings and 17 were study visits, with 30 different central banks throughout 2025. Moreover, the partner central banks answered 9 written information requests from the CBRT, while the CBRT answered 5 information requests, contributing to further enhancing bilateral cooperation.
- Cooperation at the technical level was underpinned by high-level bilateral meetings with participation from representatives of partner central banks and diplomatic missions.

- Memorandums of understanding on technical cooperation have been signed with the Central Bank of The Gambia and the State Bank of Pakistan with the aim of adding an institutional dimension to bilateral relations and expanding the existing coordination network. Moreover, memorandums of understanding have been signed with the Central Bank of the United Arab Emirates regarding payment systems and trade in local currencies, and with the People's Bank of China regarding the establishing Renminbi Clearing Arrangements.

- Additionally, the CBRT has signed swap agreements with the National Bank of Kazakhstan and the Central Bank of the United Arab Emirates, and the existing swap agreement with the People's Bank of China has been renewed.

- As part of Türkiye's accession to the European Union (EU), the CBRT made the necessary contribution on the issues that fell under its remit. The Bank also actively participated in the Economic and Financial Dialogue meetings, and meetings of Economic Forecasts for Candidate Countries, as well as the meeting of Subcommittee No. 4 on Economic and Monetary Issues, Movement of Capital, and Statistics.

- The CBRT supported the work carried out by public institutions, most notably the Presidency of the Republic of Türkiye and the Ministry of Treasury and Finance, on issues that fall under its remit, and maintained its cooperation and coordination activities and attended relevant meetings.

- In 2025, the CBRT attended the Food and Agricultural Product Markets Monitoring and Evaluation Committee (Food Committee) and Subcommittee meetings, provided information on food and agricultural product prices, presented research on pricing behavior, and took part in working groups established under the Food Committee.

SOCIAL SENSITIVITY

In 2025, besides its core functions, the CBRT continued its activities aimed at promoting social welfare as well. In the scope of its corporate social responsibility approach, the CBRT contributed to academic researches and continued its supportive initiatives in the areas of financial literacy and education.

- In this scope, the CBRT continued to provide non-refundable scholarships to the graduates of Derince Anatolian High School. A graduation ceremony was held where successful students received awards.

INCREASING THE EFFECTIVENESS OF THE PAYMENTS AREA

- The Data Sharing Services in the Field of Payments (DSSP) GEÇİT (Gateway) infrastructure has continued to be expanded. Currently, there are 39 Account Servicing Payment Service Providers (ASPSPs) and 41 Authorized Third Party Payment Service Providers (TPPs).
- Communiqués issued as per Law No. 6493 on Payment and Securities Settlement Systems, Payment Services, and Electronic Money Institutions were communicated to payment and electronic money institutions, and existing regulations were revised.
- As a result of the oversight and supervision activities carried out at institutions, 72 institutions were charged with administrative fines totaling TRY 373.2 million, and 29 institutions received warnings under Article 27 of Law No. 6493 titled "Violation of regulations and decisions".

Key Indicators

Disinflation

Year-End Inflation

30.89%

(December 2025)

− 13.49 % points

Reserves

Gross Reserves

USD 184.1 billion

(December 31, 2025)

+ USD 29 billion

Turkish lira Deposit Share

60.9 %

(December 31, 2025)

+ 1.7 % points

Currency-Protected Deposit Balance

USD 0.2 billion

(December 31, 2025)

− USD 32.8 billion

Balance of Payments

Current Account Deficit

(12-month cumulative)

USD 30.1 billion

(December 2025)

+ USD 17.1 billion

Access to External Financing

CDS

205

(December 31, 2025)

− 58 points

Treasury's External Borrowing Cost

(End of 2025)

5.45%

− 1.23% points

Banking Sector's External Borrowing Cost

(End of 2025)

5.6%

− 0.9% points

Sectoral Expectations

Sectoral Inflation Expectations

(12-Month Ahead, %)

Market Partcipants

23.4%

(December 2025)

− 3.7 % points

Real Sector

34.8%

(December 2025)

− 12.8% points

Households

50.9%

(December 2025)

− 12.2% points

2025 in Numbers

4,123
Number of Employees

USD 184.1 Billion
International Reserves

TRY 1.4 Quadrillion
Total Amount of Payments via CBRT Payment Systems and FAST System

2,702
Real Sector Meetings

24
Payment Institutions Operating in Türkiye

62
Electronic Money Institutions Operating in Türkiye

21,367

Information Requests Processed

831

Meetings with Institutional Investors

5.9 Billion

Number of Transactions via CBRT Payment Systems and FAST System

TRY 864 Billion

Worth of Banknotes

811.4

Tons of Gold Holdings

64

Press Releases

PART 1 GENERAL INFORMATION

Photograph: **Süleyman Çam**'s work titled **"Pottery Craftsman"** exhibited at the International Photography Competition organized by the CBRT under the theme "Economy and People".

Established as a joint stock company on June 30, 1930, the Central Bank of the Republic of Türkiye commenced operations on October 3, 1931, in Ankara. The CBRT's capital amounts to TRY 25,000 and consists of 250,000 shares.

The CBRT's shares are divided into four classes as (A), (B), (C), and (D) pursuant to the CBRT Law No. 1211, accordingly:

- Class (A) shares belong exclusively to the Turkish Treasury and, by law, cannot fall below 51% of the Bank's total capital.
- Class (B) shares are allocated to national banks operating in Türkiye.
- Class (C) shares are allocated to non-national banks and privileged companies, and the number of these shares cannot exceed 15,000.
- Class (D) shares are allocated to Turkish commercial enterprises and to real and legal persons of Turkish nationality.

As of end-2025, these shares corresponded to 55.12% (A), 23.25% (B), 2.51% (C), and 19.12% (D) of the CBRT's capital, and there are no privileged companies among the shareholders.

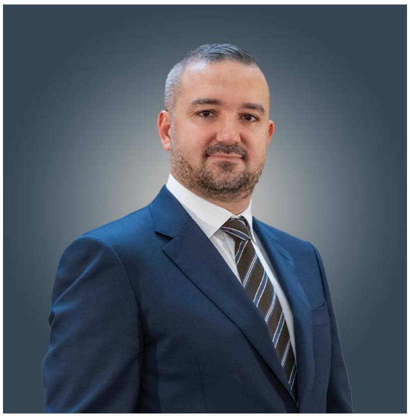
The GNAT has delegated its authority to print banknotes to the CBRT indefinitely. Accordingly, the CBRT has the exclusive authority to print and issue banknotes in Türkiye.

With the amendment to Law No. 1211 made on April 25, 2001, the Bank's primary objective was defined as "to achieve and maintain price stability." Accordingly, the CBRT has been given the authority to determine, at its own discretion, the monetary policy it will implement as well as the tools it will use to serve this objective. In this regard, the CBRT has instrument independence. Additionally, the Bank has other duties, such as introducing regulatory measures concerning money and FX markets that will ensure stability in the financial system and supporting the government's growth and employment policies insofar as they do not conflict with its primary objective of achieving price stability.

The CBRT conducts its operations in accordance with the duties and powers vested in it by the Law on the Central Bank of the Republic of Türkiye No. 1211 (CBRT Law No. 1211). The CBRT closely monitors national and international developments and implements its policies in an ever-renewing and dynamic structure with a total of 4.123 employees, 19 departments and 21 branches operating in various provinces, economic consultants and attachés assigned to the Turkish Ministry of Foreign Affairs representative offices in Frankfurt, London, and Washington, as well as an economic consultant at the OECD Permanent Representative Office.

1.1 Governing Bodies

1.1.1 Board



Fatih Karahan, Ph.D.
Governor

Prof. Nurullah Genç
Member

Prof. Başak Tanınmış Yücememiş
Member

Prof. Elif Haykır Hobikoğlu
Member

Ertan Aydın
Member

Prof. Muhsin Kar
Member

Kemal Madenoğlu
Member

The CBRT Board consists of the Governor and six members elected by the Bank's General Assembly. Board members serve three-year terms, with one-third of them being replaced every year. The Governor is also the chair of the Board, which must convene at least once a month upon the Governor's call for a meeting. A quorum of at least two-thirds of the members is required for a meeting to be held, and decisions are made by a majority of participants.

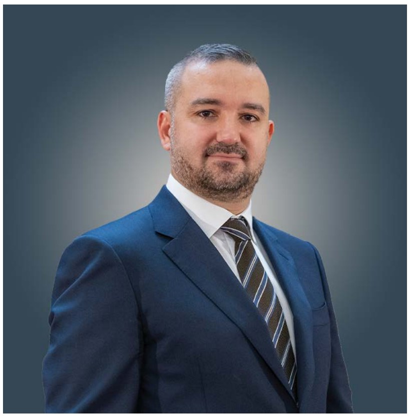
The duties and powers of the Board include deciding on the monetary policies and monetary policy instruments to be used in line with monetary policy strategies and inflation targets; setting rules and making decisions on matters pertaining to the banknotes in circulation; determining principles and procedures and setting rules pertaining to open market operations and foreign exchange and foreign currency transactions, to rediscount and advance transactions and respective interest rates, to reserve requirements, and to the management of national gold and foreign currency reserves; preparing the CBRT's budgets, annual reports, balance sheets, profit & loss statements, and General Assembly agendas; and approving staffing decisions and regulations involving the Bank's administration, organization, services, and staff.

In 2025, the Board convened 12 times and passed 188 resolutions.

At the Ordinary General Assembly Meeting of the CBRT on April 30, 2025, an election was held for positions vacated by Başak Tanınmış Yücememiş and Muhsin Kar, whose terms of office at the Board ended. The General Assembly re-elected Başak Tanınmış Yücememiş and Muhsin Kar to serve until the end of April 30, 2028.

As of December 31, 2025, the Board consisted of Governor Yaşar Fatih Karahan and members Nurullah Genç, Başak Tanınmış Yücememiş, Elif Haykır Hobikoğlu, Ertan Aydın, Muhsin Kar, and Kemal Madenoğlu.

1.1.2 Monetary Policy Committee



Fatih Karahan, Ph.D.
Governor

Osman Cevdet Akçay, Ph.D.
Member

Prof. Hatice Karahan
Member

Prof. Elif Haykır Hobikoğlu
Member

Prof. Fatma Özkul
Member

Chaired by the Governor, the Monetary Policy Committee (MPC) consists of the deputy governors, one member elected from and by the Board, and a member recommended by the Governor and appointed by a decision of the President of the Republic. The duties and powers of the MPC consist of determining monetary policy principles and strategies aimed at achieving price stability, collaborating with the government to set inflation targets under the monetary policy strategy, preparing periodical reports on the monetary policy objectives and practices to inform the government and the public in line with the principles set, taking measures to safeguard the domestic and international value of the Turkish lira, and setting the exchange rate regime that defines the value of the lira against foreign currencies and gold in cooperation with the government.

The MPC held 9 meetings in 2025, the decisions of which were published on the CBRT's website.

As of December 31, 2025, the MPC consisted of Governor Yaşar Fatih Karahan, Deputy Governors Osman Cevdet Akçay and Hatice Karahan, Board member Elif Haykır Hobikoğlu, and the appointed member Fatma Özkul.

1.1.3 Auditing Committee

Ramazan Güngör
Member

Bekir Bayrakdar
Member

Prof. Metin Toprak
Member

Melikşah Utku, Ph.D
Member

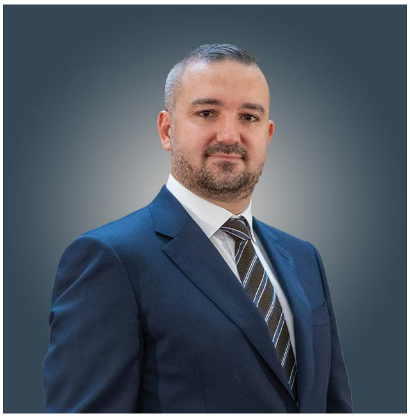
The Auditing Committee consists of four members elected by the General Assembly and the members serve two-year terms of office.

Charged with auditing all CBRT operations and accounts, the Committee submits the findings to the Board in writing and also sends a copy to the Presidency of the Republic. At the end of each year, the Committee prepares a report on the respective year's operations and accounts, and submits it to the CBRT General Assembly.

At the Ordinary General Assembly Meeting of the CBRT on April 30, 2025, an election was held for the positions vacated by Mehmet Babacan, Ramazan Güngör and Bekir Bayrakdar whose terms of office at the Auditing Committee ended. The General Assembly re-elected Ramazan Güngör and Bekir Bayrakdar, and elected Melikşah Utku to serve until the end of April 30, 2027.

As of December 31, 2025, the Auditing Committee was composed of Ramazan Güngör, Bekir Bayrakdar, Metin Toprak ve Melikşah Utku.

1.1.4 Executive Committee



Fatih Karahan, Ph.D.
Governor

Osman Cevdet Akçay, Ph.D.
Member

Prof. Hatice Karahan
Member

The Executive Committee consists of the Governor and Deputy Governors. The Governor and Deputy Governors are appointed by the President of the Republic and serve four-year terms of office. The quorum for a decision is set as the majority of the total number of members.

When deemed necessary, the Executive Committee pre-examines issues that require a CBRT Board resolution, prepares proposals for the Board and draws up regulations pertaining to the CBRT's administration, organization, and services. Other duties and powers of the Executive Committee include ensuring coordination in the conduct of the CBRT's operations and making decisions on the appointment, remuneration, dismissal, and retirement of officers and employees other than those staff appointed by the Board.

As of December 31, 2025, the Executive Committee consisted of Governor Yaşar Fatih Karahan and Deputy Governors Osman Cevdet Akçay and Hatice Karahan.

1.1.5 Financial Benefits Provided to Senior Management

Pursuant to Articles 19, 22/A, 24, and 33 of the CBRT Law No. 1211, the President of the Republic has the authority to determine the monthly salaries and representation allowances to be paid to the CBRT governor and deputy governors, the monthly salaries and duty compensations to be paid to the CBRT Board members as well as the Monetary Policy Committee members, and the salaries to be paid to the Auditing Committee members. Accordingly, the gross amount paid to CBRT's senior management, including the Governor, the CBRT Board, the MPC, the Auditing Committee and the Executive Committee members amounted to TRY 81,376,808.34 in 2025.

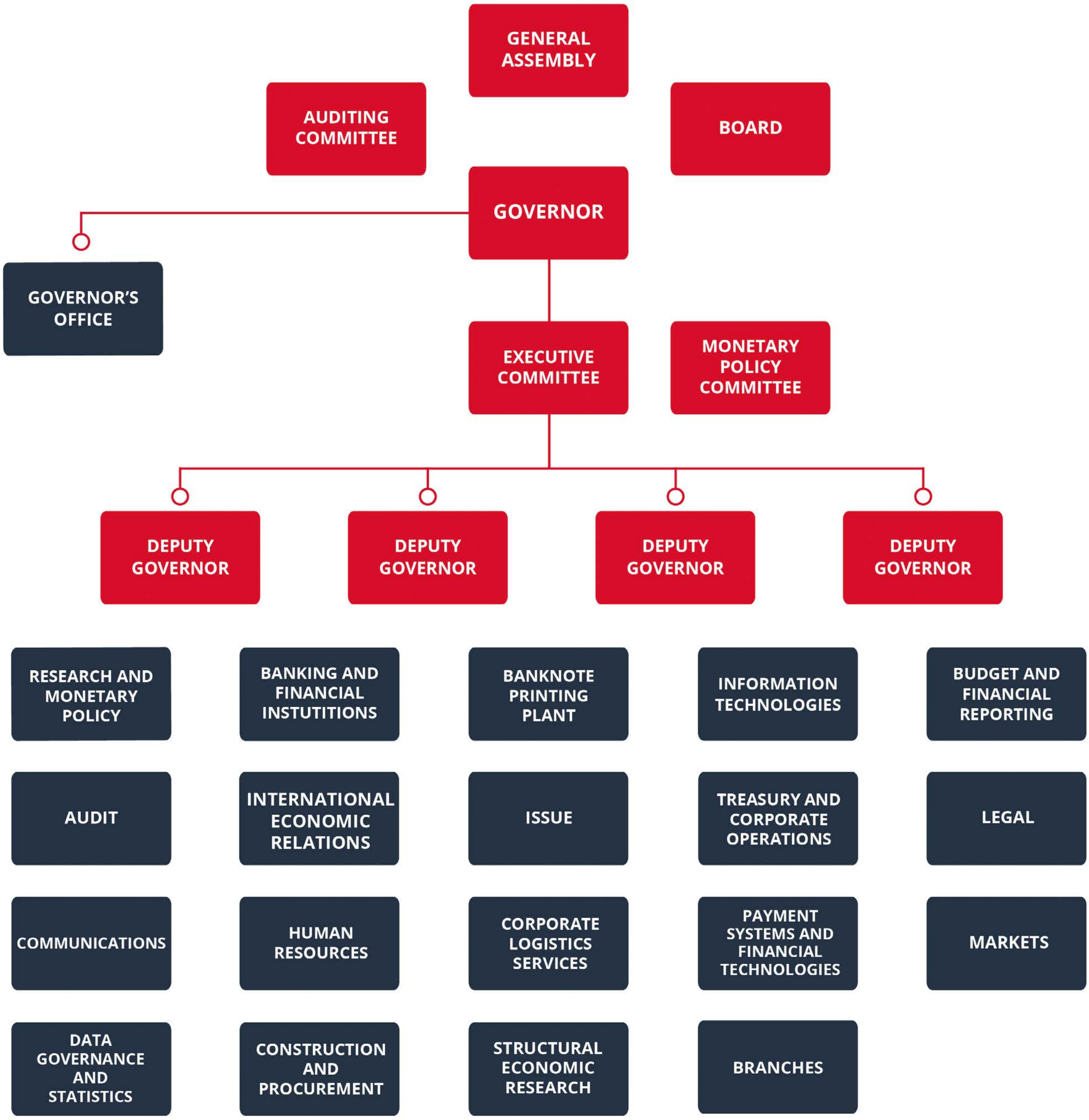
1.1.6 Head Office Departments

As of 31.12.2025		
Research and Monetary Policy	Executive Director	Tayyar Büyükbaşaran, Ph.D.
Banking and Financial Institutions	Executive Director	Yusuf Emre Akgündüz, Ph.D.
Banknote Printing Plant	Executive Director	Mehmet Sercan Arslan, Ph.D.
Governor's Office	Executive Director	İsmail Özkan
Information Technologies	Executive Director	Mehmet Zahit Ateş
Budget and Financial Reporting	Executive Director	Ebru Uzun
Audit	Executive Director	Aziz Turhan, Ph.D.
International Economic Relations	Executive Director	Assoc. Prof. Huzeyfe Torun
Issue	Executive Director	Kemal Çağatay Şimşek, Ph.D.
Treasury and Corporate Operations	Executive Director	Rıdvan Günel, Ph.D.
Legal	Executive Director	Mehmet Şerif Uygun, Ph.D.
Communications	Executive Director	Fırat Bora Taş
Human Resources	Executive Director	Hüseyin Atsay
Corporate Logistics Services	Executive Director	Zafer Özdek
Payment Systems and Financial Technologies	Executive Director	Ahmet Buğday, Ph.D.
Markets	Executive Director	Hakan Er, Ph.D.
Data Governance and Statistics	Executive Director	Yusuf Kenan Bağır, Ph.D.
Construction and Procurement	Executive Director	Kazım Gökhan Elgin
Structural Economic Research	Executive Director	Assoc. Prof. Ünal Seven

1.1.7 Branches

As of 31.12.2025		
Adana Branch	Director	Mahmut Güray Sezer
Ankara Branch	Director	Muhammed İslami Önal
Antalya Branch	Director	Mecit Hasan Subaşı
Bursa Branch	Director	-
Denizli Branch	Director	Soner Bilgin
Diyarbakır Branch	Director	Gülşah Güven Akçora
Edirne Branch	Director	Gökhan Güler
Erzurum Branch	Director	Serhat Akpınar
Eskişehir Branch	Director	Mustafa Alpar
Gaziantep Branch	Director	Alper Aydöner
İskenderun Branch	Director	Tolga Kiraz
İstanbul Branch	Director	Oğuzhan Saçkan
İzmir Branch	Director	Erol Seheroğlu
İzmit Branch	Director	Nuri Cemhan Sevimeser
Kayseri Branch	Director	Lütfi Soylu
Konya Branch	Director	Mehmet Yıldırım
Malatya Branch	Director	Muhammet Devrim Ülkü
Mersin Branch	Director	Ali Bakır
Samsun Branch	Director	Özgür Aydin
Trabzon Branch	Director	Kemal Tarhan
Van Branch	Director	Özer Muratoğlu

1.1.8 Organization Chart



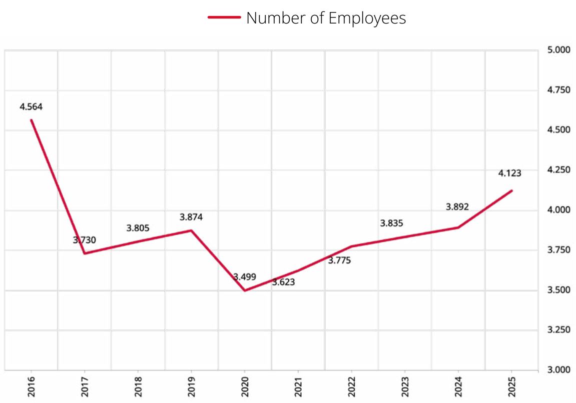
1.2 Staff and Related Statistics

Due to its strategic role in the Turkish economy and its diverse duties, the CBRT employs highly qualified staff from a variety of professions. By the end of 2025, there were 4,293 permanent staff positions, which were filled by 4,123 employees. By the end of the reporting period, 96.04% of all positions were filled.

In 2025, the CBRT hired 282 new employees, while 51 employees left the Bank. Thus, by the end of the year, the number of people on the Bank's payroll had increased by 231 compared to the previous year, reaching 4,123 (Chart 1.2.1).

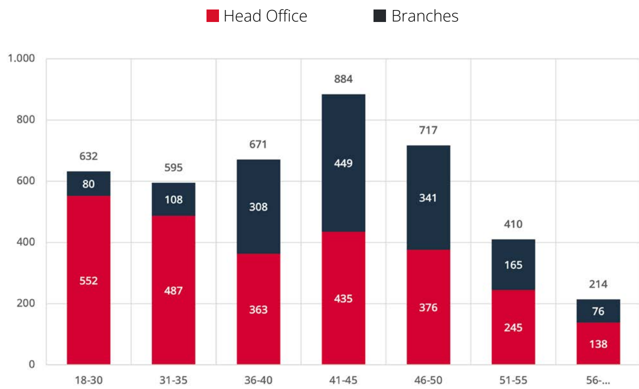
Of the CBRT's staff, 62.96% are employed at the Head Office and 37,04% in branches. A breakdown of staff by age groups shows that the 41-50 age group makes up the majority (38.83%) of the staff (Chart 1.2.2). The share of staff holding associate, graduate, and post-graduate degrees is 90.64% (Chart 1.2.3).

Chart 1.2.1: Number of Employees from 2016 to 2025



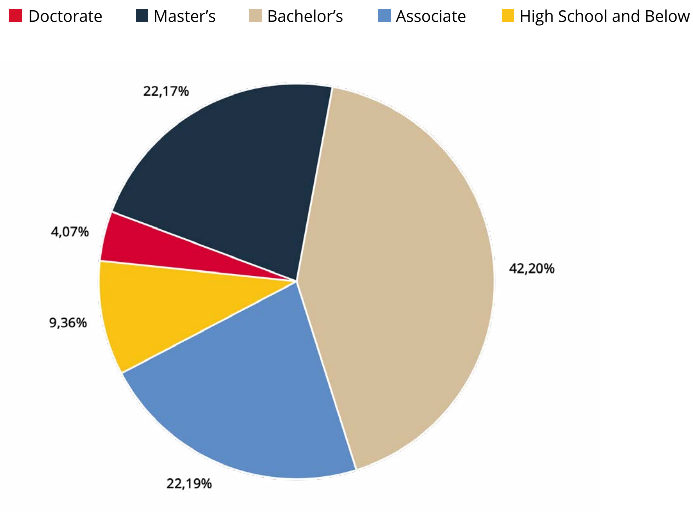
Source: CBRT. Last Observation: 31 December 2025

Chart 1.2.2: Staff by Age Groups



Source: CBRT. Last Observation: 31 December 2025

Chart 1.2.3. Staff by Education Level



Source: CBRT. Last Observation: 31 December 2025

2. ACTIVITIES AND MAJOR DEVELOPMENTS

Photograph: **Erdoğan Purçlutepe**'s work titled **"The Fisherman"** exhibited at the International Photography Competition organized by the CBRT under the theme "Economy and People".

2.1 Price Stability and Monetary Policy

2.1.1 Overview

Gross Domestic Product (GDP) growth slowed in the first quarter of 2025 amid tight financial conditions. The contribution of private consumption and final domestic demand to annual growth declined. While exports of goods and services increased on a quarterly basis, and imports remained flat, thus net exports made a positive contribution to quarterly growth. Simultaneously with the release of second-quarter data, the Turkish Statistical Institute (TUKSTAT) made a major revision in national income statistics. Although growth exceeded forecasts during this period, private consumption and final domestic demand remained weak. Economic activity, which accelerated in the second quarter, slowed somewhat in the third quarter, displaying a growth close to its quarterly potential. Private consumption, which had declined on a quarterly basis in the first two quarters, increased in the third quarter, while total investments continued to support growth. In the third quarter, there was a decline in imports of goods and services and an increase in exports on a quarterly basis. Consequently, net exports made a positive contribution to quarterly growth.

In the final quarter of the year, while the quarterly growth in private consumption accelerated compared to the previous quarter, the quarterly contribution of investments turned negative due to a decline in machinery and equipment investments. During this period, exports of goods and services decreased, while imports of goods and services increased. Thus, net exports made a dampening contribution to quarterly growth. Against this backdrop, throughout 2025, amid tight financial conditions, private consumption's contribution to growth remained limited, similar to the previous year, while total investments increased their contribution. The contribution of net exports was negative and constrained growth. In this context, in 2025, economic activity remained moderate on an annual basis, with a growth rate of 3.6%. As for production, the services sector was the main driver of growth throughout the year, while the industry and construction sectors also contributed positively to growth. Agricultural added value declined due to the impact of reduced crop production caused by frost and drought.

Although the economic activity in Türkiye's main trading partners exhibited a weak and fragile outlook throughout the year, exports continued to increase on an annual basis in 2025. Nevertheless, the trade deficit rose in annual terms, driven by an increase in gold imports and rise in core imports. During this period, the strong outlook in the services balance continued to support the current account balance.

As a result of these developments, the current account deficit increased year-on-year to USD 30.1 billion in 2025. Thus, the current account deficit-to-GDP ratio stood at 1.9%, reflecting a moderate trend below the historical average.

Key labor market indicators suggest that the labor market remained strong. The total employment remained almost flat throughout the year. The unemployment rate fell by 0.4 percentage points year-on-year, falling to 8.4%.

The disinflation process continued in 2025 as well. Throughout the first half of 2025, falling commodity prices -particularly oil prices- supported the decline in inflation. Due to developments in financial markets, the Turkish lira depreciated in March and April, and the effects of this were observed not only on core goods inflation but also on producer prices. The Consumer Price Index (CPI) fell by 13.5 percentage points year-on-year, ending the year at 30.9 percent—at the lower bound of the forecast range presented in the final Inflation Report of 2025. At end-2025, annual inflation in the core B and C indicators fell by 12.3 percentage points and 14.3 percentage points year-on-year to 31.7% and 31.1%, respectively. Despite a limited improvement, inflation expectations remained above inflation forecasts and interim targets. Annual producer prices inflation, which had been declining until May, displayed an upward trend thereafter. Throughout the year, the impact of geopolitical developments and tariff changes, as well as seasonal increases in metal prices was observed on producer prices. However, the decline in transportation costs and supply chain pressures hovering close to historical averages served as factors limiting cost pressures. On the back of these developments, annual producer price inflation ended 2025 at 27.7%, remaining below the annual CPI inflation rate.

The CBRT cut the policy rate by a total of 500 basis points in January and March 2025, bringing it to 42.5%. To limit the risks that developments in financial markets could pose to the inflation outlook, the CBRT decided at an interim Monetary Policy Committee (MPC) meeting held on March 20, 2025, to raise the overnight lending rate to 46%, while keeping the policy rate and the overnight borrowing rate unchanged. Moreover, one-week repo auctions were suspended for a period, and funding was provided at the overnight lending rate. In April, highlighting the impact of developments in financial markets on the underlying trend of inflation, the CBRT raised the policy rate to 46%; the overnight lending rate to 49%, and the overnight borrowing rate to 44.5%, and announced that one-week repo auctions would be resumed. The CBRT kept the policy rate unchanged in June, but cut the policy rate by a total of 800 basis points in subsequent meetings and brought it down to 38% in December. To enhance the effectiveness of monetary transmission in the face of diverging expectations among economic agents and potential volatility, the CBRT continued to implement macroprudential policies in 2025 as well.

2.1.2 Developments in 2025

Monetary Policy Developments

The CBRT reduced the policy rate, which was 47.5% at the end of December 2024, to 45% in January 2025 with a 250-basis-point cut. The CBRT stated that despite some signs of improvement in inflation expectations and pricing behavior, they continued to pose a risk to the disinflation process, and emphasized that a tight monetary policy stance would be maintained until a sustained decline in inflation and price stability were achieved. Furthermore, the CBRT stated that the policy rate would be determined taking into account realized and expected inflation and its underlying trend in a way to ensure the tightness required by the projected disinflation path in line with the interim targets.

The CBRT cut the policy rate by 250 basis points in March. Moreover, the CBRT held an interim meeting in the same month to evaluate the developments in financial markets. At the MPC interim meeting of March 20, the risks that developments in financial markets could pose to the inflation outlook were assessed and a set of measures were taken to support the tight monetary stance. Accordingly, the CBRT decided to raise the overnight lending rate from 44% to 46%, and to keep the policy rate and overnight borrowing rate unchanged at 42.5% and 41%, respectively. Moreover, the one-week repo auctions were suspended and funding started to be provided at the overnight lending rate.

In April, drawing attention to the effects of developments in financial markets on underlying inflation, the CBRT raised the policy rate from 42.5% to 46%, the overnight lending rate from 46% to 49%, and the overnight borrowing rate from 41% to 44.5%. Moreover, the CBRT announced that one-week repo auctions would be resumed. The CBRT stated that inflation expectations and pricing behavior continued to pose risk to the disinflation process and potential effects of the rising protectionism in global trade on the disinflation process through global economic activity, commodity prices and capital flows would be closely monitored. The CBRT affirmed that the policy rate would be determined taking into account realized and expected inflation, and the underlying trend, and that it would act prudently on a meeting-by-meeting basis in a way to ensure the tightness required by the projected disinflation path.

The CBRT, assessing that the downward trend in inflation—which had started in May—continued in June, kept the policy rate unchanged at 46% in June. In July, noting that the disinflationary impact of demand conditions had increased, the CBRT lowered the policy rate from 46% to 43%. However, the CBRT emphasized that inflation expectations and pricing behavior continued to pose risks to the disinflation process, and stated that it was closely monitoring the potential effects of geopolitical developments and rising protectionism in global trade on the disinflation process. Furthermore, the CBRT stated that all monetary policy tools would be used effectively in case a significant and persistent deterioration in inflation was foreseen.

Based on the assessment that the underlying trend of inflation slowed down in August and demand conditions were at disinflationary levels, the CBRT lowered the policy rate from 43% to 40.5% in September. At its October meeting, the CBRT noted that the core inflation trend had risen in September and that while demand conditions remained at disinflationary levels, the disinflation process had slowed. It emphasized that risks posed by price developments—particularly in food—to the disinflation process through inflation expectations and pricing behavior had become more pronounced. In light of these developments, the CBRT implemented a modest cut in October, bringing the policy rate to 39.5%. Additionally, it was stated that decisions regarding the policy rate would be reviewed prudently with meeting-by-meeting basis with a focus on inflation; it was also noted that if the inflation outlook deviated significantly from the interim targets, the monetary policy stance would be tightened. Assessing that the underlying trend of inflation had moderated somewhat in October and November following the increase in September, the CBRT decided at its December meeting to lower the policy rate from 39.5% to 38%. Stating that liquidity conditions would continue to be closely monitored and liquidity management tools would be used effectively, the CBRT indicated that it would support the monetary transmission mechanism with additional macroprudential measures in case of unanticipated developments in credit and deposit markets.

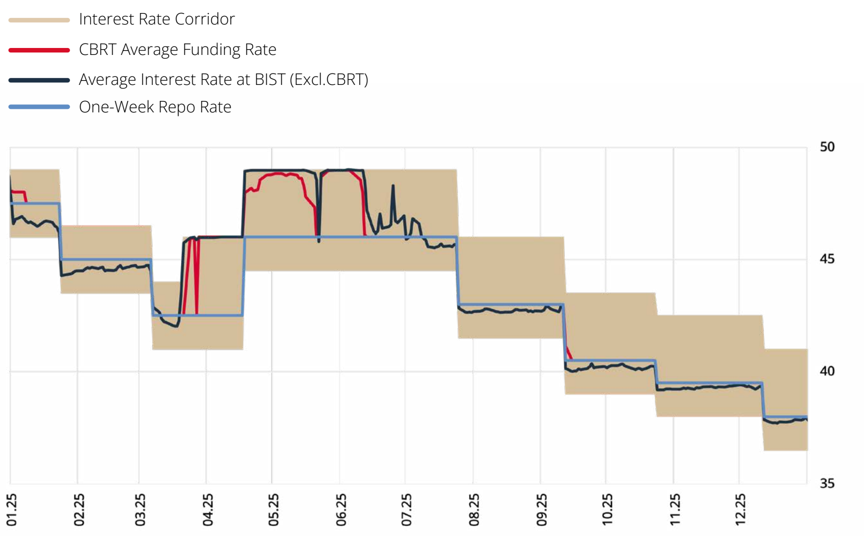
In 2025, simplification measures continued with the aim of enhancing the functionality of market mechanisms, strengthening macrofinancial stability, and supporting the monetary transmission mechanism. The most significant step taken in this context was the termination of new openings and renewals of FX-Protected Deposit (KKM) accounts, and consequently, the removal of all targets related to KKM renewals and the transition to the Turkish lira. Measures aimed at increasing the share of Turkish lira deposits within total deposits and gradually reducing and phasing out KKM accounts supported the monetary policy stance in 2025.

With the aim of strengthening the monetary transmission mechanism by also monitoring the development of Turkish lira funding channels other than deposits, the reserve requirement ratios applied to Turkish lira-denominated loans obtained from abroad and funds raised through foreign repo transactions have been increased across maturities. The temporary measure of applying a zero percent reserve requirement to increases in foreign currency liabilities obtained from abroad with a maturity longer than 1 year was terminated. Foreign currency reserve requirement ratios were reviewed and the reserve requirement ratios for deposits and participation funds denominated in foreign currency and precious metals were equalized, while the reserve requirement ratios for other foreign currency liabilities with maturities over one year were reduced. Policies regarding credit growth were effectively utilized in 2025 to support the monetary policy transmission mechanism and ensure balance in domestic demand.

While the excess liquidity in the system was TRY 846 billion at the beginning of 2025, a temporary liquidity shortage emerged in the system between April and July. Between March 20 and April 17, one-week repo auctions were suspended in light of developments in financial markets. The excess liquidity, which began to become permanent starting in early July, stood at TRY 653 billion as of December 31, 2025 (Chart 2.1.2.2). Of this excess liquidity, TRY 461 billion was sterilized through net Open Market Operations (OMO) and TRY 192 billion through swap transactions. The TRY 192 billion decrease in excess liquidity level in 2025 stemmed from changes in the monetary base, particularly from reserve requirements. Moreover, the increase in the Ministry of Treasury and Finance's net domestic borrowing played a role in the decline of excess liquidity in the system.

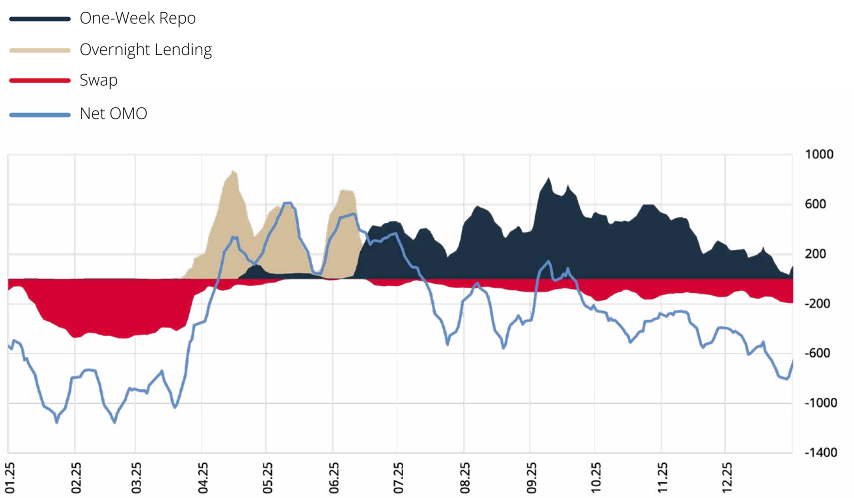
In 2025, the excess liquidity in the system was sterilized using various instruments to enhance the effectiveness of the monetary transmission mechanism. In this context, the CBRT primarily conducted Turkish lira deposit buying auctions, Turkish lira swap auctions involving the sale of foreign currency or gold, and deposit operations in the Interbank Money Market (IMM). Moreover, liquidity certificates were issued as part of the sterilization toolkit. In this context, a total worth of TRY 269 billion in liquidity certificates with a maturity of approximately one month was issued between March 24, 2025 and April 4, 2025. The effectiveness of sterilization operations was supported by a comprehensive set of liquidity tools. Consequently, interest rate volatility in money markets has decreased significantly (Chart 2.1.2.1).

Chart 2.1.2.1: Short-term Interest Rates (%)



Source: BIST, CBRT. Last Observation: December 2025

Chart 2.1.2.2: CBRT Funding (One-Week Moving Average, TRY Billion)



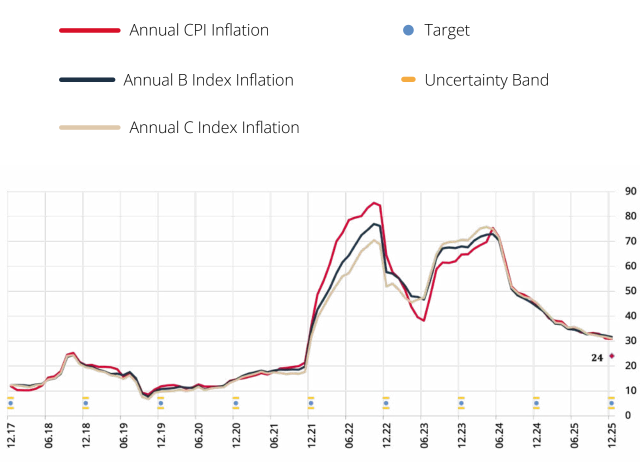
Source: CBRT. Last Observation: December 2025

Inflation Developments

The disinflationary trend that began in June 2024 continued across 2025. Throughout the first half of 2025, falling commodity prices—chiefly oil prices—supported the decline in inflation. On the other hand, unfavorable weather conditions in the February-April period exerted pressure on food prices. As the Turkish lira depreciated in March and April amid developments in financial markets, the resulting effects were evident not only in core goods inflation but also in producer prices. Global prices rose in June, led by energy prices, due to geopolitical tensions, but fluctuated in the third quarter. Geopolitical developments had adverse impacts both on consumer prices and producer prices. In the third quarter, consumer inflation was shaped mostly by the upward effects of the revisions introduced to lump-sum taxes and administered prices. In the fourth quarter of the year, annual consumer inflation continued its downward trend. In December, the underlying trend displayed a marked improvement, with headline inflation falling by 13.5 percentage points compared to the previous year. Thus, annual consumer inflation closed the year at 30.9%, at the lower bound of the forecast range presented in the 2025 Inflation Report (Chart 2.1.2.3). Annual inflation in the B and C core inflation indicators declined by 12.3 and 14.3 percentage points, respectively, compared to the previous year and stood at 31.7% and 31.1% at the end of 2025.

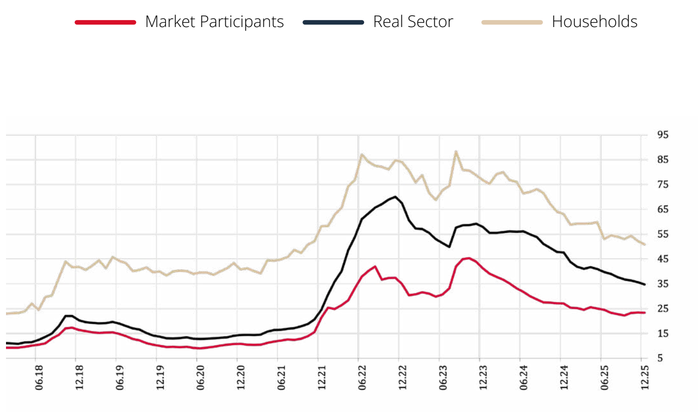
Exhibiting a backward-indexation tendency, rent and education expenses emerged as the groups that had a significant negative impact on headline inflation in 2025. Frost and drought had adverse effects on agricultural production, mainly fruit, putting upward pressure on food prices. On the other hand, having recorded only limited production losses, price increases in vegetables remained below the long-term trend due to temperatures that hovered above seasonal norms in the last quarter of the year, and contributed to the decline in consumer inflation. Aggregate demand conditions remained on a disinflationary track throughout the year. The modest upward trend in the currency basket curbed exchange rate-driven inflationary pressures. In the second half of the year, wage-driven inflationary pressures eased. Commodity prices fluctuated throughout the year amid geopolitical developments and changes in tariffs. As inflation expectations eased, the decline in household and business expectations became evident. However, inflation expectations remained above inflation forecasts and intermediate targets (Chart 2.1.2.4). Following a decline up to May, annual producer price inflation subsequently began to rise. Throughout the year, the impact of cyclical increases in metal prices, combined with the effects of geopolitical tensions and tariff changes, was apparent on producer prices. However, falling transportation costs coupled with the supply chain pressures, which hovered close to their historical averages, contained cost pressures. Accordingly, annual producer price inflation ended 2025 at 27.7%, below the annual CPI inflation rate.

Chart 2.1.2.3: Inflation and Targets
(%)



Source: CBRT, TÜİK. Last Observation: December 2025

Chart 2.1.2.4: Sectoral Inflation Expectations
(12-month Ahead Annual Inflation Expectations, %)



Source: CBRT. Last Observation: December 2025

Across subgroups, the largest contributor to the decline in annual inflation was the services group, followed by food and core goods. In 2025, other subgroups supported the fall in inflation, albeit at relatively limited rates. In 2025, despite a significant decline, the highest price hike among the main expenditure groups was recorded in the services category, at 44.0%. By the end of the year, among the components of the core group, core goods and services remained approximately 13 percentage points below and above headline inflation, respectively. Annual inflation declined across all subgroups within services, most notably in rents. Nevertheless, rent inflation was high, driven by the backward-indexation tendency and structural factors in the housing sector. In addition, being subject to time dependent price setting and having a strong backward- indexation tendency, inflation in education services also remained high. Inflation in transport services was shaped both by rising fuel prices due to the geopolitical turmoil and the periodic revisions to administered items. However, the loss of momentum in aggregate demand conditions led to a slowdown in price increases in subgroups with demand sensitivity such as restaurants-hotels and recreation and culture items. With a decline throughout the year, services inflation, which declined throughout the year, remained relatively flat at 44 percent in the last quarter.

Prices of core goods rose by 17.7% in 2025, remaining well below headline inflation. Monthly core goods inflation, which remained mild in the first three months of the year, accelerated in the following two months amid developments in financial markets in March. Thus, core goods inflation, which was 19.39% in March on an annual basis, reached 21.09% in June, due mainly to prices of automobiles and electrical and non-electrical appliances. However, these effects did not last, and disinflationary levels of demand conditions mitigated the impact of exchange rate developments on inflation. In the third quarter of the year, annual core goods inflation remained relatively flat at around 20%. In the last two months of 2025, the group's annual inflation declined again, with monthly increases remaining below those of the previous year.

Although annual inflation in the food and non-alcoholic beverages group rose above headline inflation in August, it receded below headline inflation in the final quarter due to vegetable prices and ended the year at 28.3%. Across subgroups, the main driver of food inflation was processed food prices with a spike of 34.3%. Unprocessed food inflation followed a relatively more favorable course with 21.5%. Three frosts that occurred between February and April 2025 and adverse weather conditions, such as higher-than-average temperatures and lower-than-average rainfall led to a decline in the production of grains, legumes, and nuts, with fruit production in the lead. In addition, the effects of certain agricultural purchase prices and supply-side issues also were other factors shaping food prices. In 2025, the key items in unprocessed food were fruits and nuts, which were affected by frost and drought, as well as red meat products, which were impacted by partial supply-side problems. In the processed food group, bread-cereals, processed meat products as well as cheese and other dairy products stood out.

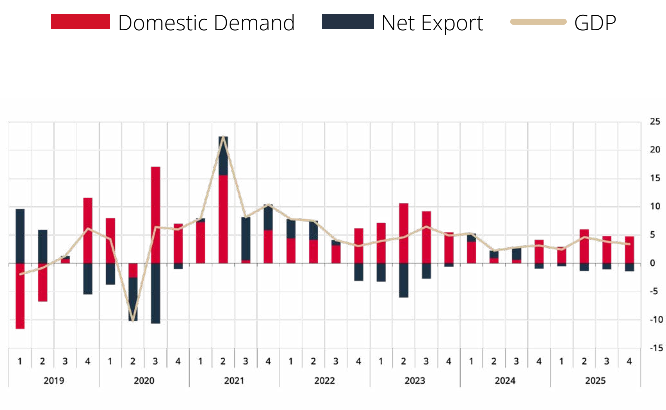
Annual energy inflation surged by 35.1% in 2025. In the first half of 2025, annual energy inflation remained relatively flat, and settled on an overall downward trend in the third quarter. As price developments in diesel drove the fuel group in November, annual energy inflation rose, but declined following the developments in crude oil prices in December. In 2025, with the transition to the end-source supply tariff, the adjustment to electricity tariffs for residential customers with high consumption had spillovers into electricity prices. In addition to adjustments to administered prices, factors such as municipal water tariffs, increases in lump-sum taxes, and developments in international energy commodity prices shaped energy inflation in 2025.

Supply-Demand Developments, External Balance, and Labor Market

In 2025, economic activity recorded a moderate increase compared to the previous year, with a growth rate of 3.6%. An analysis of developments throughout the year reveals that GDP grew by 2.5% year-on-year and 0.7% quarter-on-quarter in the first quarter of 2025. The main driver of annual growth was the services sector, while the industrial sector curbed growth in the first quarter. During this period, while the annual growth of private consumption slowed, total investments made further positive contributions to annual growth (Chart 2.1.2.5). On a quarterly basis, private consumption and total investment receded. As exports of goods and services increased on a quarterly basis while imports remained flat, net exports made a positive contribution to quarterly growth (Chart 2.1.2.6). Accordingly, in the first quarter of the year, domestic demand weakened as financial conditions remained tight, while the external balance improved. GDP grew by 4.7% year-on-year and 1.3% quarter-on-quarter in the second quarter of 2025, exceeding growth forecasts. On a quarterly basis, the contraction in private consumption seen in the first quarter continued into the second quarter. Meanwhile, total investments increased following the decline in the first quarter, driven by investments in construction and machinery and equipment. In this context, while growth in the second quarter remained above forecasts, final domestic demand was assessed to weak amid a tight monetary policy stance and sustained tight financial conditions. In the third quarter, GDP grew by 3.8% year-on-year and 1.0% quarter-on-quarter. Due to the decline in crop production caused by frost and drought, agricultural value added fell by 12.4% year-on-year in the third quarter, thereby limiting growth. During the same period, private consumption and total investment made positive contributions to annual growth. On a quarterly basis, while private consumption, which had declined in the first two quarters of the year, increased in the third quarter, total investments further supported growth in this period following the second quarter. During this period, imports of goods and services dropped on a quarterly basis, while exports increased. Consequently, net exports made a positive contribution to quarterly growth. Economic activity, which had accelerated in the second quarter, slowed somewhat in the third quarter, posting a growth rate close to its quarterly potential.

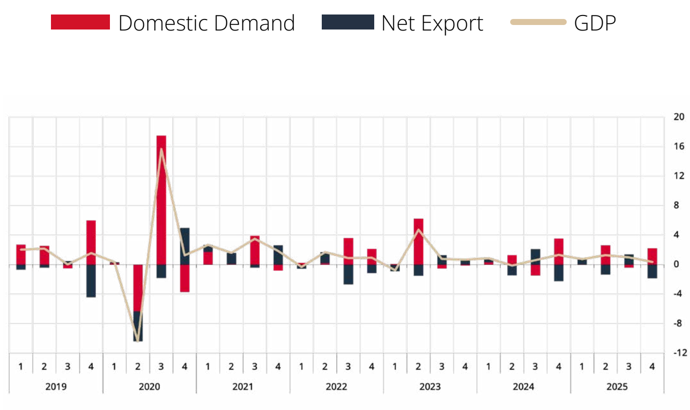
GDP grew by 3.4% and 0.4% in annual and quarterly terms respectively in the fourth quarter of the year. During this period, private consumption and investments continued to bolster annual growth. On a quarterly basis, while the positive contribution from private consumption increased compared to the previous quarter, investments made a negative contribution to quarterly growth due to a decline in machinery and equipment investments. In this period, exports of goods and services contracted on a quarterly basis, while imports of goods and services strengthened. Consequently, the contribution of net exports to quarterly growth turned negative. Accordingly, economic activity grew by a modest 3.6% on an annual basis in 2025. From the expenditure side, the contribution of private consumption to annual growth was slightly lower than in the previous year. From the production side, the services sector was the main driver of growth throughout the year, while the industry and construction sectors also contributed to growth. Agricultural value added posted a decline due to the impact of a fall in crop production led by frost and drought.

Chart 2.1.2.5: Gross Domestic Product and Components (Contributions to Annual Growth, % Points)



Source: TURKSTAT. Last Observation: 2025Q4

Chart 2.1.2.6: Gross Domestic Product and Components (Contributions to Quarterly Growth, % Points)



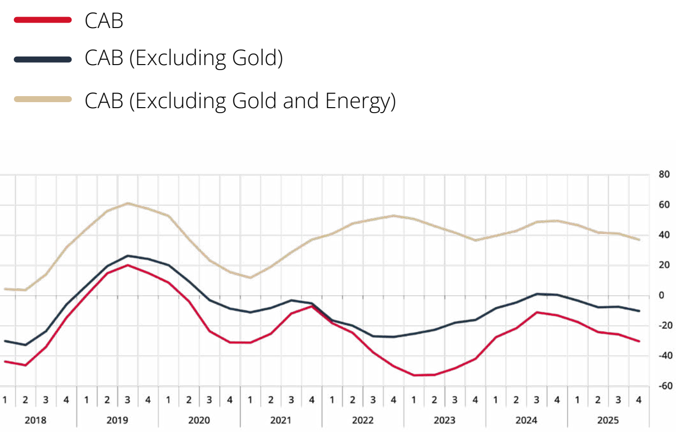
Source: TURKSTAT. Last Observation: 2025Q4

In 2025, the key components of the current account balance revealed that despite the ongoing contribution of the services balance, the current account deficit widened year on year due to the rise in the trade deficit (excluding gold and energy) and the uptick in gold imports (Chart 2.1.2.7). Despite the weak and fragile outlook for economic activity among Türkiye's main trading partners and uncertainties in global trade throughout the year, exports rose further on an annual basis. This uptick was largely driven by higher export prices. Imports also rose on an annual basis, fueled by both gold and non-gold imports. As a result of rising global gold prices and increased demand for gold, gold imports rose by approximately USD 6 billion compared to the previous year. While imports of investment and consumer goods increased throughout the year, imports of consumer goods followed a more moderate course in the second half of the year. The relatively low trajectory of energy prices continued to improve the energy balance, and the energy trade deficit narrowed on an annual basis. The rise in the number of visitors and travel revenues had further favorable effects on the services balance, and the positive contribution of services to the current account balance grew stronger.

In March 2026, a methodological change will be implemented in the balance of payments data, with a retrospective revision starting from September 2020, in the calculation of interest expenses within the portfolio investments item under the primary income balance. Based on the residency of the security holder, this revision increased the current account deficit by a total of USD 8.9 billion during that period, with USD 4.8 billion of this effect occurring in 2025. The corresponding effect of the revision was seen in the net errors and emissions item in the same amount. Consequently, the overall current account deficit for 2025 rose from USD 25.2 billion to USD 30.1 billion after the revision, while the current account deficit-to-GDP ratio increased from 1.6% to 1.9%.

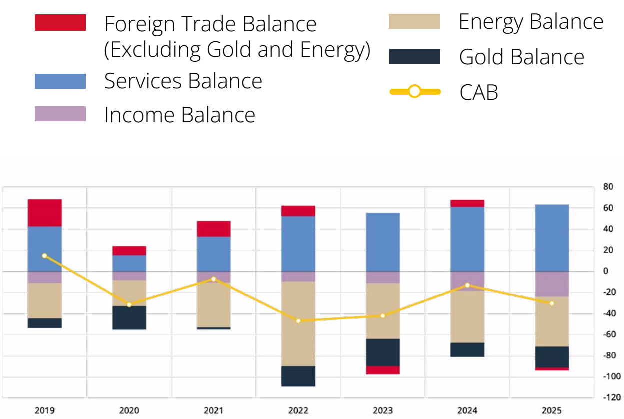
In 2025, the largest negative contribution to the current account deficit came from the energy balance on an annual basis (Chart 2.1.2.8). On the other hand, this negative contribution decreased to some extent in line with the fall in energy prices compared to 2024. While the services balance had a further positive contribution to the current account balance, deteriorations in the gold balance and the trade balance excluding gold and energy contributed to the increase in the current account deficit. On the financing side, inflows from foreign direct investment by non-residents increased throughout the year. The stock market saw outflows in the first quarter, but inflows occurred in the remainder of the year. The Government Domestic Debt Securities (GDDS) market recorded inflows as of the second half of the year. Accordingly, capital inflows from portfolio investments declined compared to the previous year. Thus, throughout 2025, the share of short-term sources such as portfolio investments in financing decreased, while the share of long-term sources increased. In 2025, the financing of the current account deficit was primarily achieved through long-term credit utilization by the banking sector and the private sector, as well as foreign bond issuances. The banking sector maintained high levels of long-term external debt rollover ratios. The long-term external debt rollover ratio rose to approximately 171% for the banking sector and around 211% for the non-banking private sector.

Chart 2.1.2.7: Current Account Balance (12-Month Cumulative, USD Billion)



Source: CBRT. Last Observation: December 2025

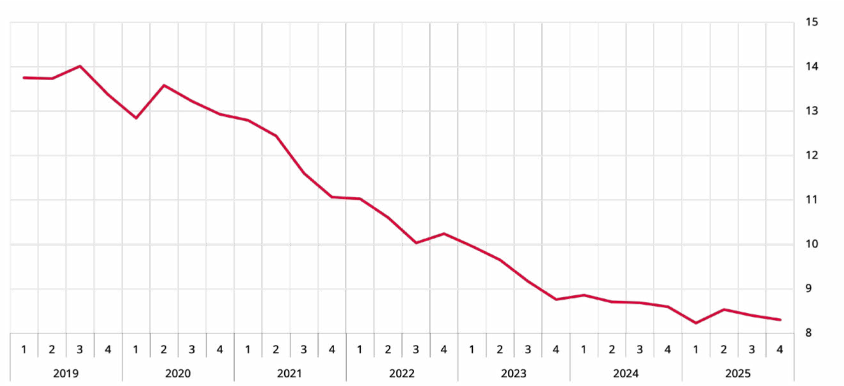
Chart 2.1.2.8 Current Account Balance Composition (USD Billion)



Source: CBRT. Last Observation: December 2025

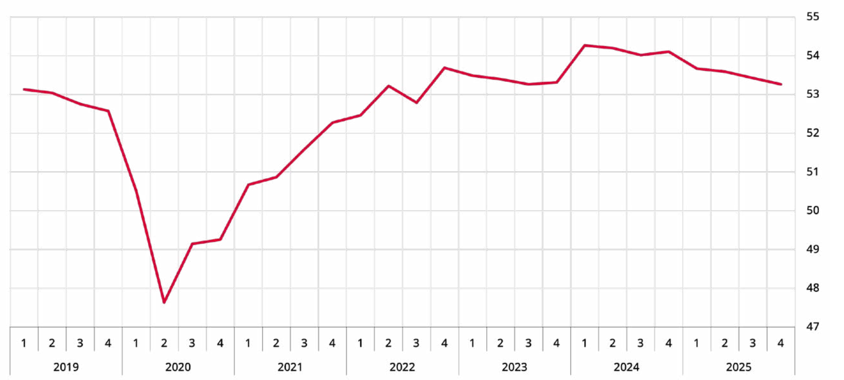
Key labor market indicators suggest that the labor market remained robust in 2025. Total employment remained largely flat throughout the year. The unemployment rate fell by 0.4 percentage points compared to the previous year, dropping to 8.4% (Chart 2.1.2.9). In the first quarter of the year, as employment declined in the agriculture and industry sectors and the labor force participation rate fell, the unemployment rate receded to 8.3% (Chart 2.1.2.10). In the second quarter, while employment in agriculture and industry declined further, employment gains in the services and construction sectors helped limit the overall loss of jobs. During this period, labor force participation remained flat, while the unemployment rate rose. In the third quarter of the year, while employment in the industrial sector continued to fall, total employment increased due to gains in the agriculture, services, and construction sectors. Along with a slight decline in the labor force participation rate, the unemployment rate stood at 8.4% during this period. In the last quarter of 2025, the seasonally adjusted unemployment rate fell by 0.2 percentage points compared to the previous quarter, receding to 8.2%. Meanwhile, the labor force participation rate rose by 0.1 percentage points to 53.5% in the same period. Among complementary labor market indicators, labor underutilization rate rose to 29.7% in 2025. The increase in labor underutilization was mainly driven by growth in the potential labor force, while time-dependent underemployment also increased, and the number of the unemployed decreased.

Chart 2.1.2.9: Unemployment Rate (Seasonally Adjusted, %)



Source: TURKSTAT. Last Observation: December 2025

Chart 2.1.2.10: Labor Force Participation Rate (Seasonally Adjusted, %)



Source: TURKSTAT. Last Observation: December 2025

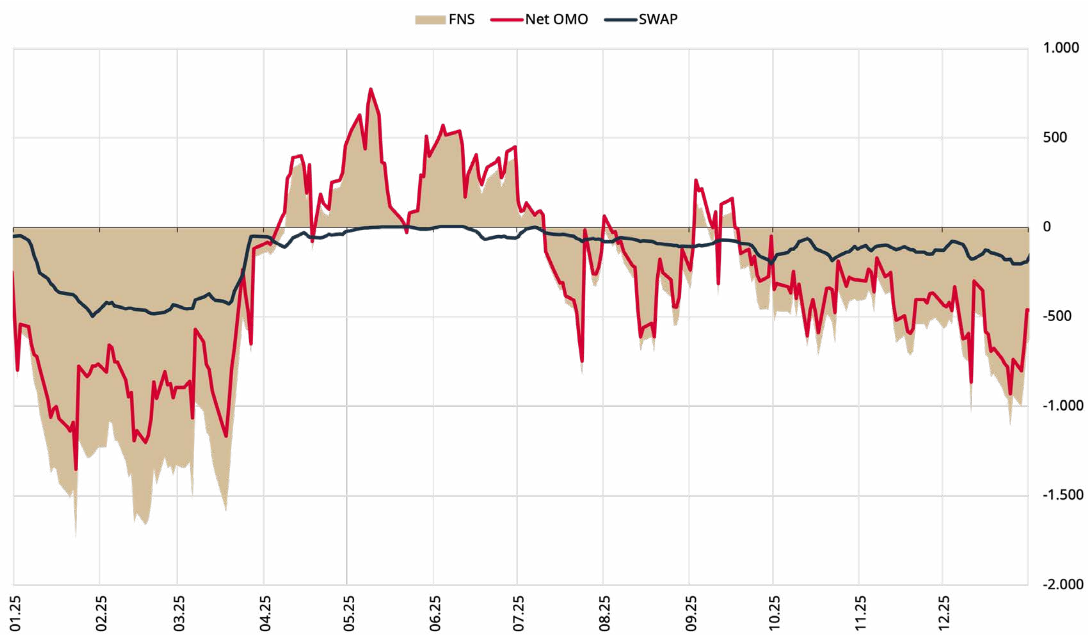
2.2 Operational Framework of Monetary Policy

2.2.1 Turkish Lira Liquidity Management

At the beginning of 2025, the excess liquidity amounted to TRY 846 billion, while the funding need of the system (FNS) shifted to a liquidity shortage temporarily in the April-July period. As of early July, the excess liquidity became permanent again and stood at TRY 653 billion on December 31, 2025. This excess liquidity was sterilized through net open market operations (OMO) of TRY 461 billion and swap auctions of TRY 192 billion (Chart 2.2.1.1).

In 2025, the TRY 192-billion decline in the FNS was primarily driven by the change in the money base due mainly to the maintenance of required reserves. Additionally, the change in the amount of net domestic borrowing of the Ministry of Treasury and Finance of the Republic of Türkiye also lowered the excess liquidity in the system.

Chart 2.2.1.1: CBRT Funding (TRY Billion)



Source: CBRT.

In 2025, to bolster the effectiveness of the monetary transmission mechanism, the excess liquidity in the market was sterilized through the diversified liquidity toolset.

Accordingly;

- At the CBRT, Turkish lira deposit buying auctions, sell-side Turkish lira currency/gold swap auctions and Interbank Money Market (IMM) deposit transactions were held.
- Quotation repo transactions at the BIST Repo/Reverse Repo Market and the Committed Transactions Market as well as quotation at the Takasbank Money Market (TMM) were used.
- Moreover, liquidity bills within the sterilization toolkit were issued. To this end, liquidity bills amounting to TRY 269 billion with a maturity of approximately 1 month were issued in the March 24- April 4 2025 period.

In order to maintain instrument diversity and operational flexibility in liquidity management, the CBRT is required to hold a sufficient amount of GDDS and Turkish lira-denominated lease certificates issued by the Undersecretariat of Treasury Asset Leasing Company of the Ministry of Treasury and Finance (HMVKŞ) in its OMO portfolio. In accordance with this requirement, nominal TRY 0.8 billion of lease certificates and nominal TRY 123.7 billion of GDDS were added to the portfolio through the auctions in 2025. Thus, the size of the OMO portfolio was nominal TRY 262.3 billion as of end-2025, composed of lease certificates of nominal TRY 10.0 billion and GDDS of nominal TRY 252.3 billion.

2.2.2 Foreign Exchange Liquidity Management

The CBRT has no commitment to any exchange rate level under the current exchange rate regime. However, to ensure efficient functioning of the FX market and promote healthy price formation, in 2025 the CBRT continued to closely monitor exchange rate developments and related risk factors, as well as to take the necessary measures and employ suitable instruments. With a view to diversifying the toolset for sterilization of excess liquidity in the system throughout the year, gold and foreign currency-against TL swap auctions were held. Sell-side Turkish lira swap auctions continued until March under the liquidity management framework, and the outstanding amount of sell-side swaps was reduced to zero by March 27, 2025. Meanwhile, sell-side Turkish lira gold and currency swap auctions continued throughout the year, as of December 31, 2025, the net outstanding amount of sell-side swaps was 32.3 tons.

Turkish lira-settled FX forward selling transactions were carried out at the CBRT in March and May 2025. The amount of these transactions was reduced to zero as of July 25, 2025.

In October 2025, the CBRT suspended transactions to buy gold produced from ore against Turkish lira in view of market conditions, and conducted location swap transactions with banks in line with market conditions.

In line with developments in global interest rates, the interest rates on collateral FX deposits were gradually reduced from 4.50% to 3.50% for the U.S. dollar across all maturities, and from 3.25% to 2.00% for the euro across all maturities. The interest rates on foreign currency deposits that banks can obtain from the CBRT were kept unchanged. These rates currently stand at 7.00% for a 1-week term and 7.75% for a 1-month term for the U.S. dollar, and 5.50% for a 1-week term and 6.00% for a 1-month term for the euro.

2.2.3 Reserve Requirements

To enhance the functionality of the market mechanism, strengthen macro-financial stability and support the monetary transmission mechanism, the CBRT continued to employ reserve requirements (RR) in 2025 intensively. Accordingly, the targets for the phase-out of the KKM program, adjustments to RR ratios applied to liabilities denominated in Turkish lira and foreign currency, the reserve requirements based on credit growth, and targets for the share of TRY deposits were utilized as a policy set.

Termination of the FX-Protected Deposit Accounts

As a result of the regulations implemented to phase out the FX-Protected Deposit Accounts (KKM) in a gradual and controlled manner starting in August 2023, the KKM scheme was fully terminated in 2025. During this process, variables such as targets for the conversion and renewal of KKM accounts into term Turkish lira deposits, the RR and interest/compensation payment rates applied to KKM accounts, and the minimum interest rate applicable to KKM accounts were frequently revised in line with financial conditions.

As of January 20, 2025, openings and renewals of 6- and 12-month KKM accounts were discontinued. As of February 15, 2025, opening and renewal of KKM accounts (including YUVAM accounts) by legal entities were discontinued, and legal entity KKM accounts were excluded from the targets related to the transition of KKM to TRY and its renewal. On June 21, 2025, the RR rate applicable to KKM accounts with terms of up to 6 months was raised from 33% to 40%, and the minimum interest rate set for KKM accounts was lowered. On the same date, while the target for the transition from KKM to TRY was removed, the overall target regarding the renewal of KKM and its transition to TRY was maintained. On August 23, 2025, the opening and renewal of KKM accounts (excluding YUVAM accounts) were discontinued also for individuals. With this decision, the overall target regarding the conversion of KKM to Turkish Lira and its renewal was removed, and the interest/compensation and commission regulations for RR were reviewed. As a result of these measures, the KKM balance, which had reached USD 143 billion as of August 2023, receded levels hovering around zero by the end of 2025.

Turkish Lira Liabilities and Required Reserves

On February 4, 2025, the RR ratio applied to funds from repo transactions from abroad, loans obtained from abroad, and deposits held at foreign banks—all related to banks' Turkish lira-denominated liabilities with maturities of up to one year—was raised from 8% to 12%. On May 24, 2025, this ratio was differentiated by maturity for funds obtained through foreign repo transactions and loans drawn from abroad; it was set at 18% for maturities of up to 1 month and 14% for maturities of up to 3 months.

While as of June 21, 2025, opening floating-rate TRY deposit accounts with maturities longer than one month was facilitated, the reserve requirement ratio applied to floating-rate accounts indexed to the Consumer Price Index (CPI), the Producer Price Index (PPI), and the TLREF has been set at 10% for all maturities. On April 26, 2025, it was decided to calculate the interest or compensation paid on required reserves maintained for TRY deposits based on the CBRT's weighted average funding cost (WAFC) rather than the policy rate; starting May 3, 2025, these payments began to be made at a rate of 86% of the WAFC instead of 84%.

Foreign Currency-Denominated Liabilities and Required Reserves

On May 3, 2025, RR ratios for FX deposits/participation funds (excluding deposits/participation funds at foreign banks and including precious metal accounts) were raised by 200 basis points and the RR ratio for funds derived from FX repo transactions with residents of a maturity up to 1 year was raised by 400 basis points to 25%. On June 21, 2025, the RR ratio for FX deposits/participation funds to be maintained in Turkish lira was reduced from 4% to 2.5%. The press release of December 4, 2025 announced simplification steps regarding required reserves. In this context, the provisional arrangement setting the reserve requirement ratio at zero percent until the end of the year for the amount of increase in foreign currency (FX) liabilities with maturities longer than one year that banks and financing companies obtain directly from abroad was no more subject to an extension and expired as of December 19, 2025. Taking the effects of this decision into account, RR ratios for FX were revised, and equalized for deposits/participation funds for FX and precious metal accounts, while those for other FX liabilities with maturities longer than 1 year were reduced. Moreover, liabilities of financing companies against domestic banks were excluded from the reserve requirement scheme.

Loan Growth-Based Reserve Requirement Practice

The loan growth-based reserve requirement practice was also subject to changes in 2025 with a view to ensuring that loan growth and composition support the disinflation process and the monetary transmission mechanism. On January 4 ,2025, the monthly growth limit for foreign currency loans was reduced to 1% from 1.5%. On the same date, the 2% monthly growth limit for Turkish lira commercial loans was differentiated as 2.5% for SME loans, and 1.5% for other commercial loans. On March 1, 2025, the monthly growth limit for foreign currency loans was reduced to 0.5% from 1%. On August 16, 2025, the loan growth calculation period was increased from 4 weeks to 8 weeks and growth limits were doubled accordingly.

Loan types subject to exemption regarding growth limits were revised throughout the year. Accordingly, one of the notable changes was the exemption of Turkish lira SME loans from the loan growth limit that are extended through the Small and Medium Enterprises Development Organization (KOSGEB) or in the scope of funding provided by international development finance institutions to support sustainability on January 4, 2025. Moreover, on March 1, 2025, the scope of investment loans that are exempt from the growth limit for foreign currency loans was narrowed and foreign currency loans disbursed for the earthquake zone were excluded from exemption.

On March 28, 2025, overdraft accounts with more than three installments (excluding education and tuition fees)—which were previously exempt from the limit of general purpose loans—have been included in the limits on loan growth.

The implementation period of the loan growth-based reserve requirement practice was extended until the end of 2026.

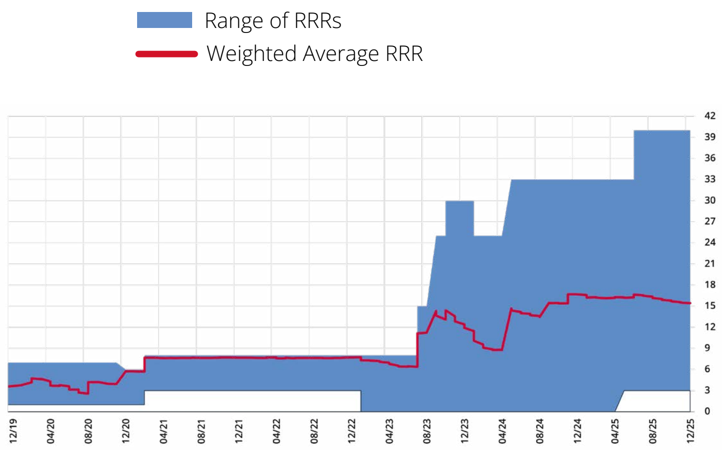
TRY Deposit Share Targets

The Turkish lira deposit share targets, implemented to increase the share of Turkish lira deposits within total deposits, were revised across the year in line with financial conditions. As of the year-end, the monthly increase targets for the TRY deposit share were set at 0.2 percentage points for banks with a share of 60–65% in TRY deposits held by real persons, and 0.4 percentage points for banks with the same share below 60%; and 0.3 percentage points for banks with the share of TRY deposits held by corporate customers below 60%. The share of TRY deposits hovered above 60% at the end of the year.

As of the calculation date of December 19, 2025, the weighted average TRY and FX RR ratios became 15.4% and 21.4%, respectively (Charts 2.2.3.1 and 2.2.3.2).

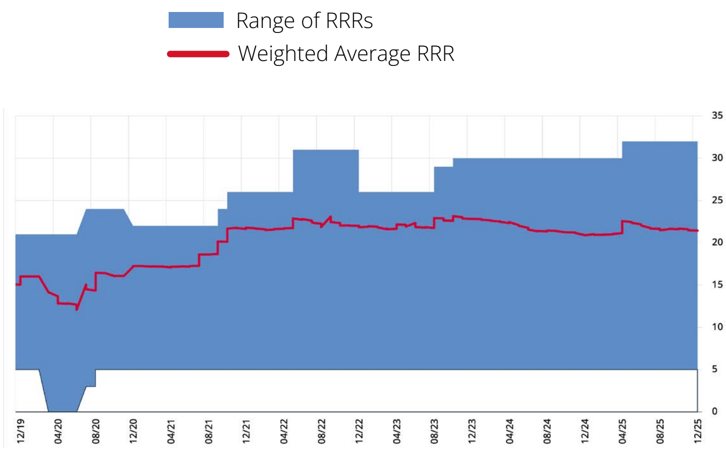
As of the calculation date of December 19, 2025, Turkish lira liabilities subject to reserve requirements amounted to TRY 31.824 billion, and FX liabilities amounted to TRY 16.235 billion. As of the maintenance period of January 2, 2026, TRY 2.497 billion is held for TRY liabilities, USD 68.6 billion worth of FX and USD 21.4 billion worth of gold have been maintained for FX liabilities (Charts 2.2.3.3 and 2.2.3.4). As of the maintenance period of January 2, 2026, the amount of additional RR required to be maintained in TRY for FX deposits/participation funds (excluding deposits/participation funds of banks abroad and precious metal accounts) is TRY 157.6 billion. On the other hand, the maintained amount based on Turkish lira loan growth is TRY 10.6 billion TL, while the maintained amount based on FX loan growth is TRY 0.5 billion.

Chart 2.2.3.1: RR Ratios for TRY Liabilities (%, as of Calculation Periods)



Source: CBRT Last Observation: 19.12.2025

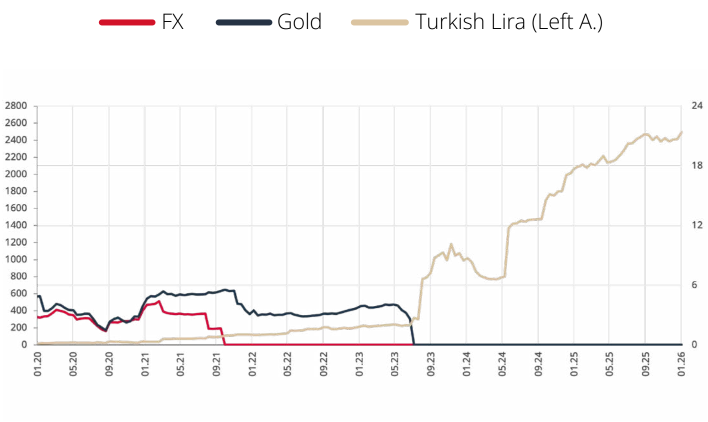
Chart 2.2.3.2: RR Ratios for FX Liabilities* (%, as of Calculation Periods)



Source: CBRT Last Observation: 19.12.2025

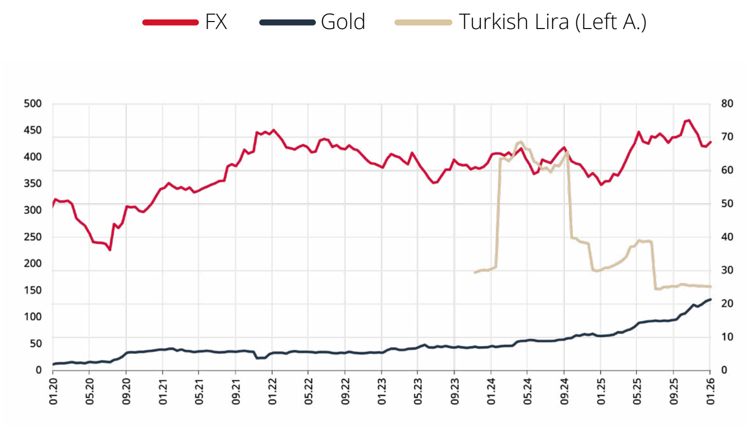
*Additional RR ratio to be maintained in Turkish lira for FX deposits is 2.5% in all maturities and is not indicated in the chart.

Chart 2.2.3.3: RR Amounts for TRY Liabilities (TRY Billion, USD Billion, as of Maintenance Periods)



Source: CBRT Last Observation: 02.01.2026

Chart 2.2.3.4: RR Amounts for FX Liabilities (USD Billion, as of Maintenance Periods)



Source: CBRT Last Observation: 02.01.2026

2.2.4 Rediscount Credits

Governed by Article 45 of the CBRT Law No. 1211, rediscount credits for exports and FX earning services are extended to exporters and firms that engage in FX earning services and activities to finance them at affordable costs. These loans are made available at maturities of up to 360 days by accepting Turkish lira and FX-denominated bills for rediscount via intermediary banks based on the Turkish lira equivalent of the bills. Repayments to the CBRT are made in either FX or Turkish lira, depending on the currency of the issued bills.

Firm-based credit limits were determined as: for Small and Medium-Sized Enterprises (SMEs), half the maximum annual net sales revenues or financial balance sheet amounts set for micro, small, and medium-sized enterprises in subparagraphs (a), (b), and (c) of the first paragraph of Article 5 of the "Regulation on Small and Medium-Sized Enterprises" published in the Official Gazette of May 25, 2023 and No. 32201, TRY 4.5 billion for firms engaged in FX earning services, export intermediaries and firms operating in the defense industry, and TRY 2.5 billion for other firms.

In 2025, the following changes were made in the rediscount credit implementation:

- On March 3, 2025, a new mechanism was established to enable the Export Credit Bank of Türkiye (Türk Eximbank) to present promissory notes issued by exporting firms that are customers of participation banks to the CBRT for rediscounting, and the obtained financing to be extendable to these firms through the participation banks.
- On May 5, 2025, in accordance with the Electricity Market Law No. 6446 of March 14, 2013, and the regulations issued pursuant to this Law, amendments were made to allow the provision of rediscount credits to companies holding electricity market distribution licenses through the acceptance of promissory notes denominated in Turkish lira for rediscounting.
- On August 1, 2025, the companies operating in the defense industry sector, which had availed themselves of the maturity extension option and currently hold unmatured FX rediscount credits, were allocated a foreign currency rediscount credit limit equivalent to the USD value of their bills within this scope.
- On October 23, 2025, the daily limits for TRY- denominated rediscount credits were increased by TRY 500 million, bringing the total to TRY 4.5 billion effective as of November 1, 2025. The daily limit per company was raised to TRY 60 million.
- On October 24, 2025, the requirement for companies to refrain from purchasing FX for TRY-denominated rediscount credits was repealed and replaced with a requirement for companies to maintain their FX position ratios at 10% or below throughout the term of the loan to be effective as of November 1, 2025. In addition, the company limit for FX rediscount credits disbursed under additional article 4 of the Implementation Guidelines was increased from USD 1.5 million to USD 5 million.

In 2025, a total of TRY 1,033.42 billion of rediscount credits for export and FX earning services were extended with a breakdown of TRY 136 billion in FX and TRY 896 billion in Turkish lira.

In 2025, rediscount credits totaling approximately CNY 4 billion (USD 557.31 million) were extended under currency swap agreements to finance trade or investment activities between the Republic of Türkiye and the People's Republic of China in local currency.

In line with the measures taken to bolster food supply security, rediscount credits of TRY 400 million with a maturity of maximum 360 days were extended to companies producing food products or agricultural products for the domestic market and/or supplying the inputs necessary for the production of such products, through the acceptance of Turkish lira-denominated promissory notes for rediscounting in 2025.

In accordance with the Electricity Market Law No. 6446 of March 14, 2013, and the regulations issued pursuant to this Law, the CBRT deemed it appropriate to extend rediscount credits to companies holding an electricity market distribution license through the acceptance of Turkish lira-denominated promissory notes for rediscounting until December 31, 2025. Under the rediscount credit package extended to electricity distribution companies, a total of TRY 22.5 billion in loans was disbursed to 12 companies.

2.2.5 Advance Loans

Advance Loans Against Investment Commitment (ALAIC) are extended pursuant to Article 45 of the CBRT Law No. 1211 through intermediary banks to firms for financing large-scale, high-tech, and strategic investments by accepting TRY-denominated bills for advance, at a maximum maturity of 10 years and with a maximum grace period of two years. The ALAIC program was allocated an annual limit of TRY 100 billion.

By December 2025, the following changes have been made in the ALAIC implementation:

- On March 24, 2025, regarding the allocation and utilization procedures of ALAIC, it was decided to consider the size of the project in the evaluation the Technology and Strategy Score (TSS), which is given by the Ministry of Industry and Technology of the Republic of Türkiye. Moreover, for the investments of firms with a TSS of 85 and above, an additional limit of TRY 5 billion was introduced, provided that the project size does not exceed 70% of the size recorded in the TSS certificate.

- On May 30, 2025, taking account of the size of the added values of investments with high TSS, to provide these investments with sufficient financing at reasonable costs, allocation of the whole of the firm-based credit limit was enabled for investment projects with TSS of 85 and above.

- On June 23, 2025, regulations were introduced to allow the use of ALAIC with a variable interest rate that tracks changes in the policy interest rate rather than a fixed interest rate.

- On October 23, 2025, to prevent any disruptions in the disbursement of ALAIC with intermediated by participation banks, the utilization of fixed-rate ALAIC was enabled alongside the variable-rate ALAIC.

In 2025, TRY 21.20 billion was used out of the total loan allocation of TRY 40.51 billion in advance loans against investment commitments to investing firms through banks.

2.3 Regulations and Other Actions Regarding the Financial System

2.3.1 Maximum Interest Rates for Credit Cards

The CBRT sets maximum credit card interest rates in accordance with the Communiqué No. 2020/16 on Maximum Interest Rates Applicable to Credit Card Transactions. In this context, taking into account funding costs and loan rates formed in the market, the maximum interest rates for credit cards were revised downwards in line with the policy rate in 2025.

Accordingly, these rates were revised with amendments introduced on July 25, September 18 and December 13, 2025 to be effective as of the first day of the succeeding month. The maximum contractual interest rate was reduced

- from 3.5% to 3.25% for personal credit cards with a term debt of less than TRY 25,000
- from 4.25% to 3.75% for personal credit cards with a term debt between TRY 25,000 and TRY 150,000,
- from 4.75% to 4.25% for personal credit cards with a term debt exceeding TRY 150,000 and corporate credit cards regardless of the term debt,
- from 5% to 4.25% for cash withdrawals or transactions made via credit cards and for overdraft accounts.

In addition, the maximum interest rates for term debt limits denominated in TRY were raised, and the limit of TRY 25,000 was set as TRY 30,000 and the limit of TRY 150,000 was replaced with TRY 180,000 to be effective as of January 1, 2026.

On the other hand, as per the Decision of the Banking Regulation and Supervision Agency (BRSA) No. 11240 of July 10, 2025, if personal credit card debts are subject to restructuring, the monthly contractual interest rate to be applied is capped at the monthly reference rate (3.11%), and the maximum monthly default interest rate applicable to such transactions may not exceed the highest overdue interest rate determined under Article 5 of Communiqué No. 2020/16.

Table 2.3.1.1. Maximum Interest Rates Applied on Credit Card Transactions for January- December 2025 Period (%)

		Turkish Lira								Foreign Currency	
		Applicable to Credit Card Transactions								Applicable to Credit Card Transactions	
		Term Debt						Cash Withdrawal or Usage Transactions **			
		Less than TRY 25.000		Between TRY 25.000 and TRY 150.000		More than TRY 150.000*					
Valid	**Reference Rate**	**Maximum Contractual Interest Rate**	**Maximum Overdue Interest Rate**	**Maximum Contractual Interest Rate**	**Maximum Overdue Interest Rate**	**Maximum Contractual Interest Rate**	**Maximum Overdue Interest Rate**	**Maximum Contractual Interest Rate**	**Maximum Overdue Interest Rate**	**Maximum Contractual Interest Rate**	**Maximum Overdue Interest Rate**
January-July	3.11	3.50	3.80	4.25	4.55	4.75	5.05	5.00	5.30	3.50	3.80
August-September	3.11	3.50	3.80	4.00	4.30	4.50	4.80	4.75	5.05	3.33	3.63
October-December	3.11	3.50	3.80	4.00	4.30	4.50	4.80	4.50	4.80	3.15	3.45

*Also applicable to corporate credit cards regardless of the term debt.

**Also applicable to overdraft accounts.

2.3.2 Regulation on Fees

2.3.2.1 Regulations Regarding Fees Chargeable to Commercial Clients

The Communiqué No. 2020/4 on Procedures and Principles Regarding the Fees that Banks Can Charge Commercial Clients determines the fees that banks can charge their commercial clients for products and services they offer. The purpose of the Communiqué is to enhance predictability and transparency in transactions between banks and their commercial clients, to ensure consistency of concepts and terminology, and to prevent excessive pricing.

With the amendment introduced to the Implementation Guidelines of the Communiqué No. 2020/4, the formula for calculating the maximum early repayment fee for fixed-rate foreign currency or foreign currency-indexed loans disbursed on or after January 6, 2025, was revised. In this context, the fixed rate of 2% for the foreign currency early closure fee was increased to 3%, and the weighted average maturity multiplier of 15% was changed as 10%.

Under the communique published in the Official Gazette on September 18, 2025, the maximum merchant fee charged by banks to commercial customers was reduced to 1.04% for debit cards, and the maximum hold period has been reduced to 15 days. The same regulation set the maximum loan disbursement fee at 1.1% for all types of cash loans, and the maximum loan origination fee at 0.20%. These changes took effect as of November 1, 2025.

Additionally, in 2025, the CBRT responded to approximately 863 applications regarding the fees chargeable to commercial clients under the Communiqué No. 2020/4.

2.3.2.2 Fees Chargeable to Financial Consumers

The Communiqué No.2020/7 on Procedures and Principles Regarding the Fees to be Charged to Financial Consumers published in the Official Gazette No. 31061 of March 7, 2020 regulates the fees chargeable to financial consumers for products and services offered. The purpose of the Communiqué is to determine the procedures and principles governing any kind of fees, commissions and expenses (other than interest and profit share) chargeable to financial consumers for the products and services offered by institutions.

In 2025, the CBRT responded to approximately 7,700 applications received through various channels regarding the fees chargeable to financial consumers under the Communiqué No. 2020/7.

2.3.3 Regulations on the Terms of Deposit and Participation Funds

The Communiqué on Deposit and Loan Interest Rates and Profit and Loss Sharing Ratios for Participation Accounts (No. 2020/3) regulates the principles and conditions regarding the interest rates that banks will apply for lending and deposit acceptance, as well as the profit and loss sharing ratios they will apply in participation accounts.

The amendment published in the Official Gazette dated June 21, 2025, under Communiqué No. 2020/3, allows variable-rate Turkish Lira deposit accounts—which previously could only be opened with a minimum term of 3 months—to be opened for terms longer than 1 month. Additionally, under the scope of this Communiqué, the CBRT responded to approximately 911 applications received through various channels regarding deposit and loan interest rates in 2025.

2.4 Financial Stability Developments and Activities

2.4.1 Financial Stability Developments

The household debt-to-GDP ratio in Türkiye was 10% as of November 2025, significantly below that of peer countries and its historical average. The share of secured loans in the composition of household retail debt declined, while the share of credit cards and overdraft accounts increased. The macroprudential policy framework and tight financial conditions have offset the rise in indebtedness. In household asset preferences, the share of Turkish lira deposits and investment funds has increased, while the tendency toward portfolio diversification continues. The share of mutual funds in the household asset composition has risen to 28%. As of the last quarter of 2025, the ratio of household financial debt to financial assets stood at 25%, remaining well below its long-term average of 45%.

The ratio of the corporate sector's total financial debt to GDP increased by 1.8 percentage points from end-2024 to October 2025, reaching 34.4%. This rise was mainly driven by firms' foreign currency-denominated financial debts. In the same period, the ratio of Turkish lira-denominated financial debt to GDP rose by 0.2 percentage points to 13.3%, while the ratio of foreign currency-denominated financial debt to GDP increased by 1.6 percentage points to 21.1%. The low level of Turkish lira indebtedness was mainly driven by caps on Turkish lira commercial loan growth and tight financial conditions. From the end of 2024 to October 2025, the total foreign currency assets of corporate sector firms increased by 11.6% to USD 175 billion, while their total foreign currency liabilities rose by 17.4% to USD 358 billion. Firms' total short position increased by 23.6% to USD 183 billion. As the FX credit growth limit was reduced to 0.5% and the scope of exemptions from the growth limit was narrowed, the widening in the FX short position slowed. While domestic FX borrowing has decelerated due to loan-growth caps, foreign currency borrowing from abroad has remained more robust. Although firms' foreign currency liabilities have increased, firm-based analyses indicate that, despite the rise in foreign currency debt and the number of firms utilizing foreign currency loans, firms' ability to cover their foreign currency debt with export revenues has improved.

To ensure that loan growth and composition remain in line with the disinflation path, the limits on foreign currency loans, initially introduced in 2024, were reduced in January and March 2025 to 1% and 0.5%, respectively. As a result, the currency composition of loans has evolved along a more balanced trajectory. The Turkish lira commercial loan growth limit, which was set at 2% in 2024, was differentiated as of January 2025 to 2.5% for SME loans and 1.5% for other commercial loans. In August 2025, the CBRT extended the calculation period for loan growth limits to eight weeks to provide banks with greater flexibility in liquidity management and to reduce volatility in loan pricing during periods of heightened credit demand, such as commercial and public debt repayment periods at quarter-ends. The growth limits are applied over eight-week periods at 5% for Turkish lira SME loans, 3% for other commercial loans, and 1% for foreign currency loans. Following these measures, Turkish lira commercial loan growth, which was 20.8% at end-2024, rose to 40.7% by the end of 2025. Over the same period, foreign currency commercial loan growth, adjusted for exchange rates, declined from 38.2% to 12.5%, while total commercial loan growth, exchange rate-adjusted, fell to 27.1%. Retail loans had an upward contribution to overall credit growth, expanding by 47% by end-2025. Annual growth in general purpose loans and personal credit cards reached 51% and 50%, respectively, making them the main drivers of retail credit growth. As a result, total FX-adjusted loan growth stood at 32% at end-2025.

In 2025, the banking sector experienced a limited deterioration in asset quality. During this period, the divergence between non-performing loan (NPL) ratios for retail and corporate loans continued. The total NPL ratio, which stood at 1.8% at end-2024, reached 2.5% by the end of 2025. The increase in the NPL ratio was mainly driven by retail loans. Despite tightening financial conditions, the risk outlook for corporate loans remained relatively contained, supported by firms' strong liquidity positions. Conversely, the rise in the NPL ratio for retail loans was driven in particular by general-purpose loans and credit cards. The loan restructuring facility introduced in July helped slow the increase in NPLs for retail loans. Another indicator for asset quality, the ratio of closely monitored (Stage 2) loans to gross loans, rose from 8.1% at end-2024 to 8.7% as of November 2025. Over the same period, the provision ratios for Stage 2 loans and NPLs were 12.8% and 75.5%, respectively. The banking sector has retained a prudent approach to potential credit losses, adhering to its policy of high provisioning.

Throughout 2025, the banking sector, backed by its substantial liquidity buffers, remained capable of meeting potential short-term cash outflows in both Turkish lira and foreign currency. The Liquidity Coverage Ratios (LCRs), a key indicator of liquidity risk, remained well above the regulatory limits. By the end of 2025, the total and foreign currency LCRs stood at 161% and 292%, respectively. Amid improving expectations and the accompanying decline in risk premiums and costs, banks secured net external funding of USD 33.6 billion during the first 11 months of 2025, while the external debt rollover ratio reached 119%.

The CBRT maintained the policy framework aimed at increasing the share of Turkish lira deposits and phasing out the FX-protected deposit (KKM) scheme, supporting monetary transmission. In April 2025, the Bank revised the method for calculating the upper limit for the remuneration rate applied to RRs maintained for Turkish lira deposits, using the weighted average funding cost (WAFC) as the reference instead of the policy rate. In May, the CBRT reintroduced the Turkish lira share growth target for legal entities. With the completion of Turkish lira conversion targets for KKM accounts in June, Turkish lira share targets for households were raised, and the minimum interest rate applied to KKM accounts was lowered. In August, the CBRT decided to end the opening and renewal of KKM accounts (excluding YUVAM accounts). In the last quarter of 2025, the Bank reduced the Turkish lira share growth targets for household. With the termination of KKM account openings and renewals, the KKM balance fell below TRY 7 billion by end-2025. During 2025, Turkish lira deposits increased by approximately TRY 5.8 trillion, while KKM accounts declined by around TRY 1.1 trillion. Over the same period, foreign currency deposits rose by USD 60.9 billion in nominal terms, and by USD 18.9 billion, adjusted for exchange rates, parity, and gold price effects, due to factors such as increased depositor demand for gold amid rising gold prices and partial conversion of closed KKM balances into foreign currency. Thus, the share of Turkish lira deposits in total deposits remained above 60%.

The banking sector's return on equity, which stood at 26.5% at end-2024, increased to 27.5% as of November 2025. In 2025, the contribution of net interest income to profitability strengthened, while the rise in the cost of credit risk limited the improvement in return on assets. The strong performance in fee and commission income was sustained in 2025, as in 2024. The banking sector's strong capital adequacy outlook was maintained, and the capital adequacy ratio stood at 19.2% as of November 2025, remaining above regulatory minimums. The contribution of the sector's net income and retained earnings to its regulatory capital continues, with regulatory capital being backed by internal capital generation and subordinated debts. Banks continued to issue subordinated debt instruments that could be included in additional Tier 1 or Tier 2 capital in 2025. This was driven by improved access to external financing, increased demand from foreign investors, and banks' diversification of external funding instruments.

2.4.2 Financial Stability Activities in the International Area

The CBRT continued to take part in the projects, meetings and surveys of international financial platforms that endeavor to strengthen financial systems. In 2025, meetings were held in physical, hybrid, and virtual formats.

The Financial Stability Board (FSB), of which the CBRT has been a member since 2009, develops policies aimed at strengthening financial systems and enhancing global financial stability through its members. The CBRT participated at a senior level in the Plenary, Steering Committee, and Standing Committee meetings held under the FSB. In addition, CBRT officials contributed to the work of FSB technical working groups.

Meetings of the FSB's Regional Consultative Group for Middle East and North Africa (MENA), one of its six regional consultative groups established in 2011 to expand the FSB's activities over non-member jurisdictions, took place on January 29-30 and November 13, 2025. In the second half of the year, the CBRT hosted the Regional Consultative Group for-Mena meeting in its capacity as co-chair. The meeting was attended by representatives from the central banks, ministries of treasury and finance, and supervisory authorities of Bahrain, the United Arab Emirates, Algeria, the United Kingdom, Qatar, Kuwait, Lebanon, Egypt, Saudi Arabia, Singapore, Tunisia, Oman, and Jordan, as well as representatives from the IMF and the World Bank (WB). The meeting staged discussions on global and regional vulnerabilities, the implications of debt sustainability for financial stability, the role of non-bank financial intermediaries in the region, and artificial intelligence along with its use in finance. Group members also exchanged views on the FSB's ongoing work in 2025 and its priorities for 2026.

Another international financial platform, of which the CBRT has been a member since 2009, is the Basel Committee on Banking Supervision (BCBS). The BCBS is entrusted with the task of strengthening the regulation, supervision, and practices of banks worldwide to enhance financial stability, and also serves as a forum for continued cooperation in banking supervision. Represented at a senior level at the meetings of the BCBS, the CBRT also participated in and contributed to various working groups at the technical level.

The main agenda items of international financial institutions in 2025 included supporting global cooperation for financial stability, enhancing the resilience of non-bank financial intermediation, examining banks' connections with non-bank financial activities, harnessing the benefits of digital innovation while controlling associated risks, monitoring the crypto asset market and the related prudential standard, assessing financial risks arising from climate change, improving cross-border payments, completing resolution reforms, monitoring and evaluating the implementation of FSB reforms, overseeing Basel III implementation in member jurisdictions, and developing practical supervisory tools for banks' liquidity risk. To contribute as effectively as possible to these efforts, the CBRT collaborated closely with relevant Turkish authorities throughout 2025.

2.4.3 Activities in Participation Finance

The CBRT continued its activities related to evaluating and coordinating the regulatory needs of the participation finance sector, contributing to relevant legislative work, and analyzing the risks associated with this sector. Within the scope of CBRT's mandate defined by legislation, a number of initiatives were carried out in close communication and collaboration with both domestic and international stakeholders.

In 2025, the CBRT carried on its activities in the field of participation finance in response to the needs of the sector and emerging regulatory requirements. In this context, the Bank revised the Implementation Instruction on Export and Foreign Exchange Earning Services Rediscount Financing to enable customers of participation banks to access rediscount financing for exports and foreign exchange earning services through Turk Eximbank. Additionally, the CBRT contributed to regulatory amendments aimed at allowing participation banks to intermediate financing transactions under the ALAIC Implementation Instruction, by enabling the scheme to operate with both variable and fixed profit rate financing options.

The CBRT participated in the governance activities and regulatory work of international institutions of which it is a shareholder or member in the field of participation finance, and by keeping a close track of global developments, contributed to reporting activities. Accordingly, the CBRT continued to contribute to the International Islamic Liquidity Management Corporation (IILM), in which the Bank has been a shareholder since it was founded on October 25, 2010. These contributions involved participation, throughout the year, at various levels, in the meetings of the IILM's managerial and administrative organs, namely the Governing Board, the Board Executive Committee, the Board Risk Management Committee, and the Board Audit Committee. The CBRT also followed the work of the Islamic Financial Services Board (IFSB), of which it is a full member, and contributed to its policy documents. Moreover, as part of cooperation efforts to strengthen bilateral relations, presentations were delivered to representatives of the Central Bank of Oman and the Indonesian Banking Development Institute within the scope of collaboration activities with other central banks and international institutions in the field of participation finance.

2.5 Financial Infrastructure

2.5.1 CBRT Payment Systems Statistics

The payment systems developed and operated by the CBRT are the Electronic Funds Transfer System (EFT), the Retail Payment System (RPS), the Electronic Securities Transfer System (ESTS) and the Auction System, along with an instant payment system called the Instant and Continuous Transfer of Funds System (FAST).

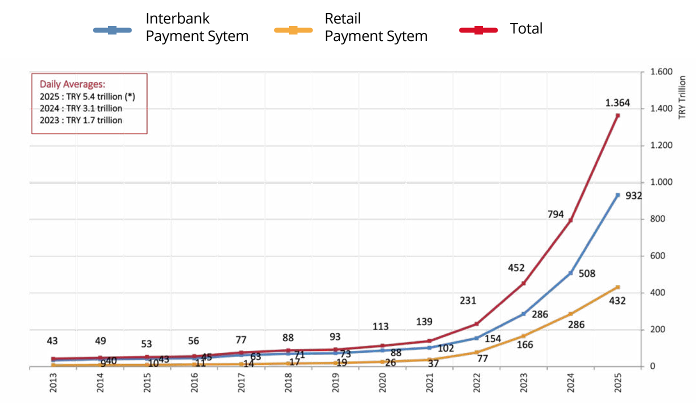
The total value of transactions conducted on the EFT System and delivery versus payment transactions conducted via the EFT and ESTS, where funds and securities are transferred simultaneously, was TRY 932.11 trillion in 2025. In 2025, the daily average transaction value on the EFT System was TRY 3.7 trillion. On the EFT System, 3.6 million transactions were conducted in 2025 and an average of 14,6 thousand messages were processed daily. The amount of transactions settled through the EFT System was approximately 83% higher in 2025 compared to the previous year (Chart 2.5.1.1).

The total value of messages processed via the RPS in 2025 was TRY 432.17 trillion. The daily average value of transactions was TRY 1.7 trillion. In 2025, 546.79 million transactions were conducted via the system and the daily average number of messages processed was 2.18 million. The number of settlements carried out via the RPS in 2025 declined by approximately 9.2% compared to 2024 (Chart 2.5.1.2).

The daily average number of messages processed in the Auction System was 1,006.

The number of participants on the CBRT's payment systems was 69 by the end of 2025.

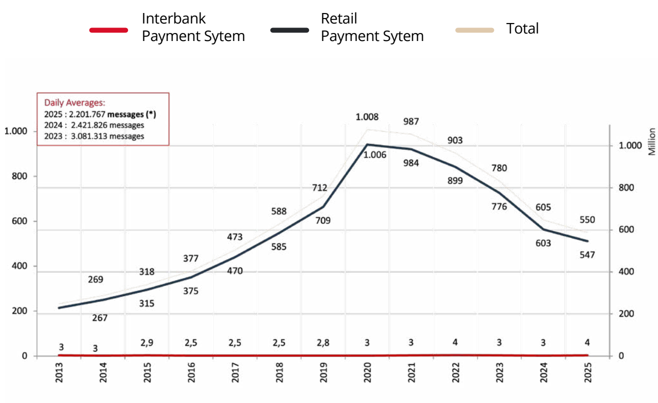
Chart 2.5.1.1: Total Value of Payments Processed Through CBRT Payment Systems
(TRY Trillion)



(*) TRY 3.7 trillion via the Interbank Payment System and TRY 1.7 trillion via the Retail Payment System.

Source: CBRT Last Observation: Dec. 31, 2025

Chart 2.5.1.2: Total Number of Messages Processed Through CBRT Payment Systems
(Million)



(*) 14,599 messages via the Interbank Payment System and 2,187,168 messages via the Retail Payment System.

Source: CBRT Last Observation: Dec. 31, 2025

2.5.2 The Instant and Continuous Transfer of Funds (FAST) System and Statistics of Use

Developed by the CBRT and launched on January 8, 2021, the instant payment system (FAST) is one of the major endeavors of the CBRT to modernize Türkiye's payment systems infrastructure to support innovative business solutions. With the FAST System, which operates 24/7, end-to-end transfers of retail payments are completed within seconds, and the end users are instantly notified.

The limits set in 2024 for FAST transaction amount (TRY 100,000) and merchant payments using dynamic QR codes (TRY 250,000) remained unchanged in 2025.

The Easy Addressing System (KOLAS) allows money transfers on the FAST System using telephone numbers, ID numbers, email addresses, passport numbers or tax numbers, removing the need to use the International Bank Account Number (IBAN). The number of individual customers of the KOLAS System was 26 million as of December 31, 2025.

The FAST System also allows person-to-person money transfers and merchant payments through the TR QR Code created in accordance with the standards, without necessitating IBAN information. The FAST-TR QR code enhancements enabled merchant payments to be carried out by scanning TR QR codes generated on domestic devices via the mobile applications of cross-border institutions.

Thanks to the Security Overlay Service (SIPER), illicit transaction notifications can be shared between the initiating institution and the receiving institution in all fund transactions, including FAST.

The work on developing the second version of the Request-to-Pay Overlay Service — based on the principle that the payee requests payment from the payer prior to the transaction and the payer responds to this request — expanded the scope of the service through the introduction of new models and functionalities. With the second version, the "Accept Later – Pay Later" and "Accept Now – Pay Now" models were launched on January 18, 2025. While the first version primarily targeted retail payments, the second version broadened the use cases to include merchant and e-commerce payments. Additionally, the new version introduced the "Partial Payment", "Early Payment", and "Deferred Payment" functionalities to the Request-to-Pay Overlay Service. Finally, in the last quarter of 2025, the CBRT initiated analytical work to enable the use of recurring payments in the Request-to-Pay Overlay Service.

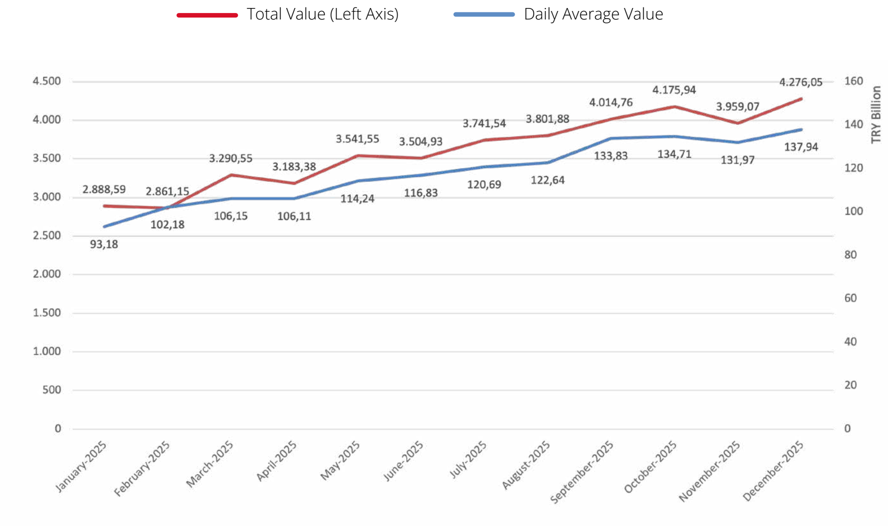
The Escrow Overlay Service allows purchase and sale of second-hand vehicles in a fast and secure manner.

All overlay services constitute important steps that contribute to ensuring that payments and money transfers can be carried out seamlessly, swiftly, and securely anytime and anywhere. Additionally, the CBRT was engaged in efforts to raise awareness of and promote the use of KOLAS, FAST TR QR Code, and the Request-to-Pay Overlay Service. In this context, the Bank published an informative Request-to-Pay animation on the website "Ödemelerin Merkezi" (https://odemelerinmerkezi.org) to inform the public.

In 2025, the total value of messages processed on the FAST System was TRY 43.23 trillion, corresponding to TRY 118.46 billion per day on average. In 2025, the number of transactions conducted via the system was 5.4 billion while the daily average number of messages processed was 14.8 million. The highest daily transaction volume for 2025 was recorded on September 15, with 28.7 million transactions (Chart 2.5.2.2).

The system had 49 participants as of December 31, 2025.

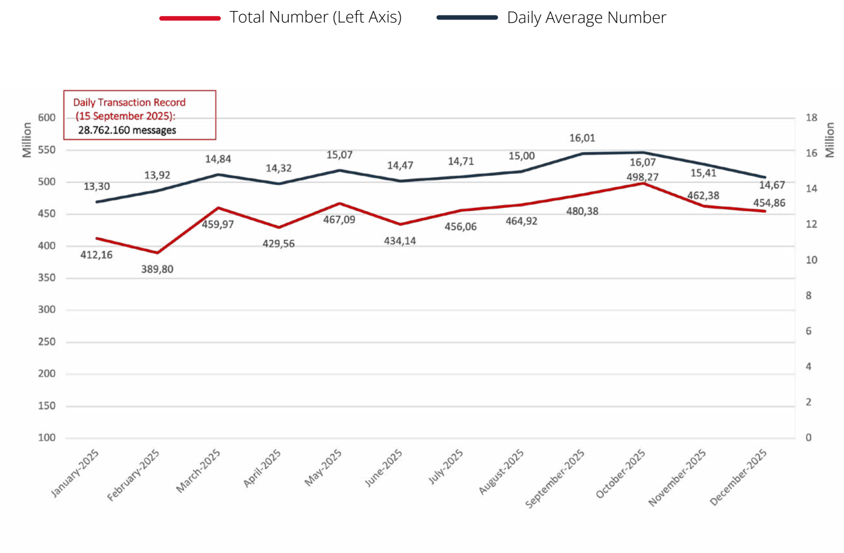
Chart 2.5.2.1: Value of Payments Processed on the FAST System (TRY Billion)



Source: CBRT

Last Observation: Dec. 31, 2025

Chart 2.5.2.2: Number of Messages Processed on the FAST System (Million)



Source: CBRT

Last Observation: Dec. 31, 2025

2.5.3 Regulations Introduced Pursuant to the Law No. 6493

Risk Management Guidelines on Use of Services in Illegal Activities

The Guidelines on the measures to be taken and the procedures to be followed pursuant to Law No. 6493 in order to prevent the use for illegal activities of payment services offered by payment and electronic money institutions, were communicated to payment and electronic money institutions on November 6, 2025. The Guidelines define the minimum requirements to be used in the detection and monitoring of illegal activities, as well as the instructions to be followed regarding Application Programming Interface (API) integrations.

2025 Survey of Payment and Electronic Money Institutions

While continuing the statutory supervision of payment and electronic money institutions, the CBRT conducted a detailed data compilation and analysis covering 86 institutions to obtain an overview of the sector's information systems infrastructure and processes, serving as a guide for future regulatory and supervisory activities.

Payment Institutions Supervision Monitoring System

The "Payment Institutions Supervision Monitoring System (OKDS)" application was launched to enable operators and payment and electronic money institutions to submit, and for the CBRT to monitor, reports specified in the Communiqué on Information Systems of Payment and Electronic Money Institutions and Data Sharing Services of Payment Service Providers in the Field of Payment Services, particularly independent audit reports on information systems.

Publication of the Communiqué on Redetermination of Minimum Own Funds Amounts for Payment and Electronic Money Institutions

The first paragraph of Article 33 bearing the title "Minimum own funds liability and professional indemnity insurance" of the Regulation on Payment Services, Electronic Money Issuance, and Payment Service Providers (Payment Services Regulation) states that the amounts of minimum own funds shall be re-evaluated by the CBRT in January every year, taking into account the annual changes in the price indices published by TURKSTAT.

In this context, as per the "Communiqué on Redetermination of Minimum Own Funds Amounts for Payment and Electronic Money Institutions" published in the Official Gazette No. 32798 dated January 30, 2025, the minimum own funds amounts for payment institutions that exclusively intermediate invoice payments, payment institutions other than those that exclusively provide account information services, and electronic money institutions were set at TRY 15 million, TRY 30 million and TRY 80 million, respectively, effective from June 30, 2025.

Implementation of the TR QR Code Regulation

The CBRT monitored the payment service providers' process of building the technical infrastructure for TR QR Code transactions pursuant to the Regulation on the Generation and Use of TR QR Code in Payment Services, and worked in coordination with related stakeholders, the Interbank Card Center (BKM) in particular, to spread the use of TR QR Code in payments. As a result of the technical development and expansion work, card payments can be made using a TR QR Code at 90% of the existing POS machines and money can be withdrawn using a TR QR Code from almost all ATMs in Türkiye. Meanwhile, the ratio of POS machines allowing for payments using a FAST TR QR Code has exceeded 41%, which is expected to increase further once the payment service providers activate FAST TR QR Code payments at merchants.

To help expand this facility, an instruction was issued on August 29, 2025, to ensure that FAST System participants that have completed the required enhancements under the Transitional Provisions of the FAST TR QR Code Technical Principles and Rules Guide finalize the necessary contractual processes, enabling merchants that already accept payment cards to also receive payments via FAST TR QR Code.

In addition, to enable tourists visiting Türkiye to use TR QR Code—an innovative payment method alongside existing options—the underlying operational flows were defined in coordination with the BKM. These flows were made available to the use of payment service providers by incorporating them into the FAST TR QR Code Technical Principles and Rules Guide for payments to be carried out via the FAST System, and into the BKM (Card Payments) TR QR Code Technical Principles and Rules Guide for payments to be executed through the BKM's card payment system.

Regulatory Amendments on Expanding the Scope of the Account Servicing Payment Service Provider Obligation under Open Banking Services and Extending Compliance Deadlines for Digital Wallet Services

Under the Regulation Amending the Regulation on Payment Services, Electronic Money Issuance and Payment Service Providers, and the Communiqué Amending the Communiqué on Information Systems of Payment and Electronic Money Institutions and Data Sharing Services of Payment Service Providers in the Field of Payment Services—published in the Official Gazette No. 32855 dated March 28, 2025, and entering into force on the same date—the CBRT revised the scope of account servicing payment service providers and the compliance deadlines for the obligations stipulated in the legislation for those providers designated within this scope.

Moreover, this revision extended the compliance deadlines for entities providing digital wallet services prior to the effective date of Article 4/A of the Regulation, which could be classified as payment or electronic money institutions, as well as for existing institutions, to ensure adherence to the provisions of the said article

Instruction on the Increase of Mobile Payment Limits

Under Article 12, paragraph 1(d) of Law No. 6493, a "payment transaction in which the sender's consent to execute the payment is provided through an information or electronic communication device, and the payment is made to an information or electronic communication operator acting solely as an intermediary between the payment service user and the goods or services provider" is defined as a payment service.

The Payment Services Regulation prepared by the CBRT under Law No. 6493, was published in the Official Gazette No. 31676 dated December 1, 2021, and entered into force on the same date. The third paragraph of Article 16 of the Regulation, titled "Prohibition on Extending Credit" stipulates that:

"(3) The institution is required to conduct a risk assessment of its customers—based on all available inquiries, in particular their bill payment behavior—regarding payment transactions carried out by reflecting the amount intermediated under subparagraph (d) of the first paragraph of Article 4 onto the invoice issued by the information or electronic communication operator acting as an intermediary. Based on the results of this assessment, the institution is obliged to set upper limits, within the scope of the second paragraph, for payments to be made on behalf of the customer, both on a per-transaction basis and in terms of the total monthly spending amount across all lines held by the customer with the relevant electronic communication operator. The upper limits to be determined pursuant to this paragraph may not exceed TRY 1,000 per transaction and TRY 2,750 for the total monthly spending across all lines held by the customer with the relevant electronic communication operator. The Bank is authorized to increase these limits by up to threefold."

Having assessed the matter, the CBRT decided to apply, within the scope of this provision, the limits—previously set at TRY 1,000 per transaction and TRY 2,750 for the total monthly spending across all lines held by the customer with the relevant electronic communication operator—as TRY 2,500 and TRY 6,500, respectively and issued its Instruction on July 4, 2025, accordingly.

Revision to the Scope of Institutions Qualifying as System Operators of Which the Bank Is a Shareholder in the Payment Services Regulation

Revisions to the Regulation on Payment Services, Electronic Money Issuance and Payment Service Providers regarding the provisions applicable to payment services and electronic money issuance offered by institutions qualifying as system operator, of which the Bank is a shareholder, were published in the Official Gazette No. 33124 dated December 31, 2025, and entered into force on the same date.

Work on the Open Banking Gateway (GEÇİT) Infrastructure of Data Sharing Services in the Field of Payments (DSSP)

As of end-2025, a total of 39 payment service providers comprising 34 banks and five electronic money institutions have completed their technical certification via the BKM API Gateway (GEÇİT)[1], which was launched on December 1, 2022 and assigned as the common DSSP infrastructure, and are serving as Account Servicing Payment Service Providers (ASPSPs). In addition to their role as ASPSPs, banks, if they wish, can also integrate in the system as Authorized Third-Party Payment Service Providers (TPPs) pursuant to first paragraph of Article 13 of the Law No. 6493. On the other hand, unlike other payment service providers, banks do not have to get an operating license from the CBRT as they are subject to the Banking Law No. 5411. Currently, 24 banks serve as TPPs

If the existing payment and electronic money institutions want to serve as TPPs, they should get a license for expansion of activities in addition to the technical certification of the BKM pursuant to subparagraphs (f) and (g), paragraph one of Article 12 of the Law No. 6493, while other institutions (that are not payment institutions) should get an operating license. Accordingly, eight non-bank payment service providers successfully completed their technical certification and license procedures, and have integrated with the GEÇİT infrastructure as TPPs. Including the banks that have become TPPs, the number of TPPs has reached 41. On the other hand, procedures for some institutions to become TPPs continue. Participants in the production environment (ASPSPs and TPPs) and participants that completed the BKM Technical Certification processes are listed on the website built for the DSSP[2].

To ensure safe completion of regulatory compliance by payment service providers as well as smooth conclusion of the related technical and operational work, and in view of the sector's demands, the transition period deadline was set as December 31, 2025, for payment service providers that are FAST participants, together with non-participants that provide direct online access to customers and are among the top 10 payment and electronic money institutions in terms of annual transaction volume, based on the latest amendments to the secondary regulations published in the Official Gazette No. 32855 dated March 28, 2025.

Unlike the first version 1.0.2, the currently operational 1.1.0 version of the DSSP API Standard includes the Adding a Credit Card to the Digital Wallet, the Event Reporting and Event Subscription Services, and Decoupled Strong Customer Authentication flows. In addition to enhancements to existing functions, studies continue for Future-Dated Payments, Recurring Payments, and Card Info and Movements to be included in the standard. These new features will become operational in 2026 with the launch of the 2.0.0 version.

[1] https://www.tcmb.gov.tr/wps/wcm/connect/TR/TCMB+TR/Main+Menu/Duyurular/Basin/2022/DUY2022-48

[2] https://bkm.com.tr/en/products-and-services/data-sharing-services-in-the-field-of-payment/

2.5.4 Licenses Regarding the Activities of Payment and Securities Settlement Systems

Number of Payment and Securities Settlement Systems Operating in Türkiye

As of December 31, 2025, there were eight payment systems and four securities settlement systems operating in Türkiye pursuant to the Law No. 6493.

Transfer of Shares

The application for the transfer of shares submitted by a system operator was approved.

2.5.5 Licenses Regarding the Activities of Payment and Electronic Money Institutions

Operating License

- Operating license applications of five companies were approved and published in the Official Gazette.

Expansion of Activities

- Six institutions' applications for expansion of activities were approved and published in the Official Gazette.

Transfer of Shares

- Applications from seven institutions for transfer of shares were approved.

Suspension of Operating License

- Operating licenses of 14 institutions were suspended.

Revocation of Operating License

- Operating licenses of seven institutions were revoked.

Rescission of the Decision to Revoke an Operating License

- The decision to revoke the operating license of one institution was rescinded.

Termination of Operating License Automatically

- Operating licenses of two institutions were terminated automatically due to a merger.

External Service Providers That Were Granted Eligibility to Provide Community Cloud Service

As per paragraph seven, Article 16 of the Communiqué on Information Systems of Payment and Electronic Money Institutions and Data Sharing Services of Payment Service Providers in the Field of Payment Services, six external service providers were granted eligibility to provide community cloud service to payment and electronic money institutions. The CBRT oversees the community cloud services provided by these external service providers.

In 2025, approval was granted to nine additional payment and electronic money institutions that applied to use community cloud services in these environments. In addition, community cloud environments used by licensed payment and electronic money institutions may, subject to the CBRT's approval, also be utilized by credit or financial institutions whose IT-related activities are regulated and supervised by a competent authority under the relevant legislation. Accordingly, two financial institutions have started to use these services.

Number of Payment and Electronic Money Institutions Operating in Türkiye

As of December 31, 2025, there were 24 payment institutions and 62 electronic money institutions operating in Türkiye pursuant to the Law No. 6493.

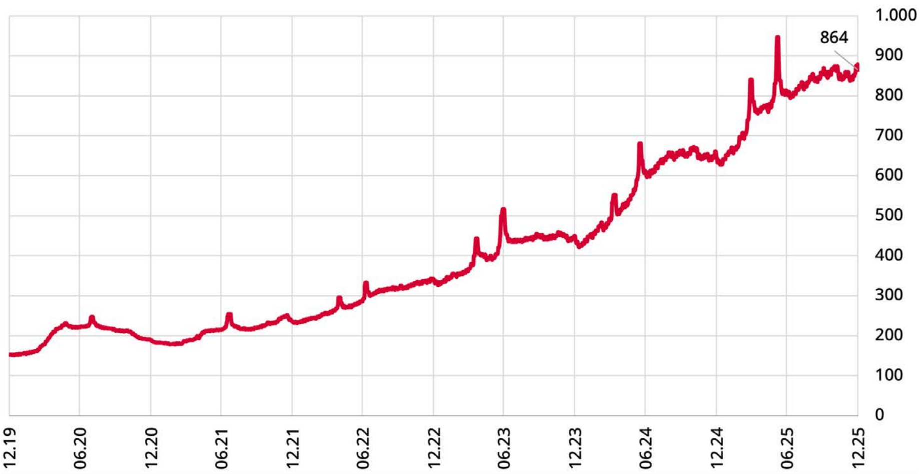
2.5.6 Administrative Sanctions Imposed on Payment and Electronic Money Institutions

Following the oversight and supervision activities carried out at institutions in 2025, 72 institutions were charged with administrative fines amounting to TRY 373.2 million in total and 29 institutions received a warning pursuant to Article 27 of the Law No. 6493 titled "Violation of Regulations and Decisions".

2.6 Banknotes in Circulation

The value of banknotes in circulation, which was TRY 645 billion at the start of 2025 increased gradually to reach its historical peak at TRY 946 billion in June, and completed the year at TRY 864 billion (Chart 2.6.1).

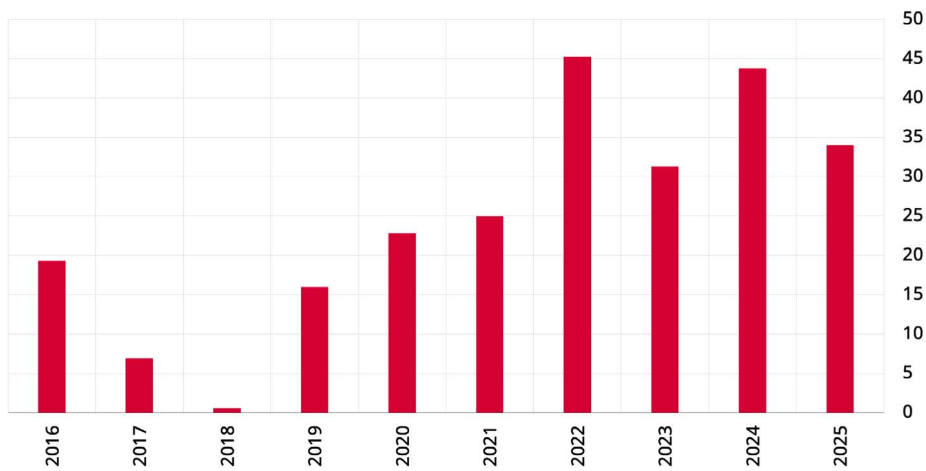
Chart 2.6.1: Banknotes in Circulation (TRY Billion)



Source: CBRT Last Observation: December 31, 2025

By the end of 2025, the value and number of banknotes in circulation had increased by 34% and 23%, respectively. Over the last decade, the year-end value of banknotes in circulation in Türkiye has increased by an average 24% and the number of banknotes in circulation by an average 15% on an annual basis (Chart 2.6.2)

Chart 2.6.2: Annual Change in Banknotes in Circulation (%)

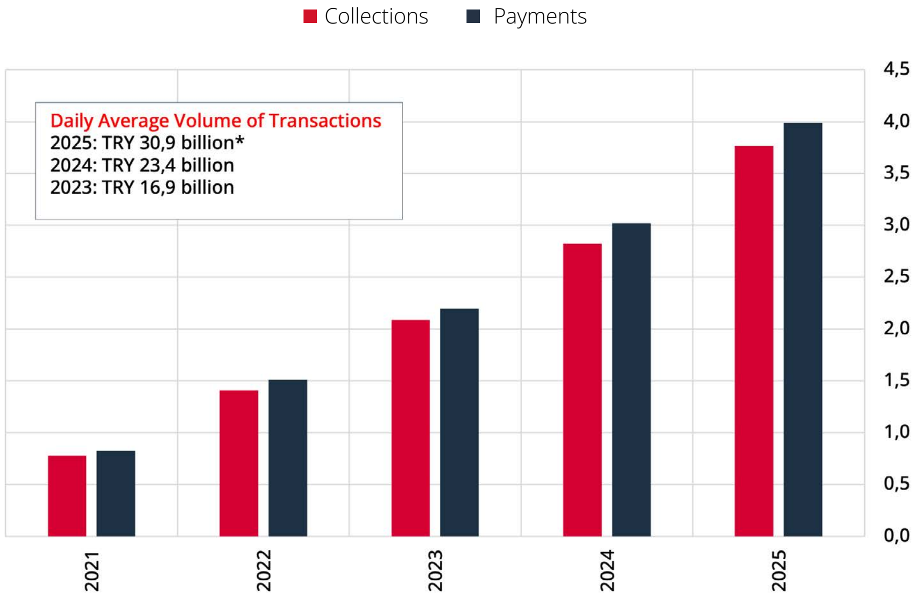


Source: CBRT Last Observation: 2025

As of December 31, 2025, the number of banknotes in circulation was 6.3 billion. At the end of 2025, the two denominations with the highest number of banknotes in circulation were TRY 200 and TRY 100 banknotes, respectively, which together made up 73% of all the notes in circulation. As measured by value, the two denominations commanding the biggest shares of the total were also TRY 200 (86.9%) and TRY 100 (9.9%) banknotes.

In 2025, via the CBRT's 21 branches, 16 banknote depots, and one cash center as well as 55 Decentralized Cash Management (MONY) depots responsible for banknote custody and processing on behalf of the CBRT, a total of TRY 7.7 trillion worth of transactions were conducted, TRY 3.7 trillion of which were collections and TRY 4 trillion were payments (Chart 2.6.3).

Chart 2.6.3: Total Volume of Transactions by CBRT Units (TRY Trillion)



Source: CBRT Last Observation: 2025

* Daily volume of collections and payments averaged TRY 15 billion and TRY 15.9 billion, respectively

In this period, on a nationwide basis, branches with the largest shares in the total cash transaction volume were the İstanbul Branch (36.3%), the Ankara Branch (14.2%), and the Izmir Branch (8.5%)

The CBRT has banknote depots in 16 of Türkiye's provinces where it does not have branches, serving to improve the physical quality of banknotes in circulation and meet the cash need of the market through different denominations of banknotes in a timely manner. Through these depots, TRY 426 billion worth of collections and TRY 497.5 billion worth of payments were made in 2025. In other words, 11.9% of the CBRT's total cash transaction volume was performed via these depots.

Additionally, 10 new MONY depots – four in Ankara, two in İstanbul and Antalya each, and one in Izmir and Adana each – started operating in 2025. Thus, the total number of MONY depots reached 55 by the end of 2025. The share of transactions by MONY depots within the total transactions in the related provinces was 54% in İstanbul, 40% in Ankara, 32.8% in Izmir, 19.5% in Bursa, 22.8% in Adana, and 6.5% in Izmit. Efforts are in progress to open MONY depots in other provinces with high cash transaction volume.

Lastly, including the new Consignment Coin Depots (CCDs) opened in Edirne and Van in 2025 as per the protocol signed between the PTT and the CBRT to enhance the efficiency of coin cash management, a total of 16 CCDs in 14 provinces continued their operations. In 2025, 74.7% of the country-wide coin transactions amounting to TRY 1.4 billion was made by these CCDs.

2.7 International Reserves and Risk Management

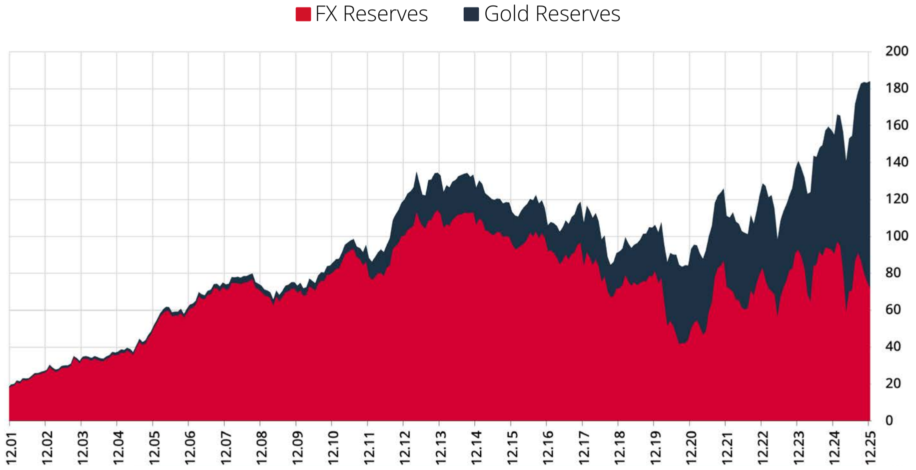
The CBRT holds international reserves in support of a range of objectives that include assisting the government in FX-denominated domestic and foreign debt servicing, maintaining adequate FX liquidity against external shocks, supporting monetary and exchange rate policy implementation, and enhancing market confidence. The CBRT's reserve management practices are governed by the CBRT Law No. 1211. Pursuant to this law, international reserves are managed by the CBRT in consideration of the three priorities as investment safety, liquidity, and return respectively. Accordingly, the objective of management of international reserves is to generate returns under the constraints of protecting capital and providing the necessary liquidity, with the ultimate aim being the prudent management of reserves as the country's national wealth.

The CBRT's reserve management is based on regulations approved by the Board and the benchmark portfolio approved by the Executive Committee. Management of risks that the CBRT may be exposed to during the conduct of its reserve management operations begins with the determination of the benchmark portfolio. Reflecting the CBRT's preferences for strategic asset allocation, the benchmark portfolio specifies the currencies to invest in and the instruments and maturities to be employed in reserve management, thereby allowing identification of the expected return and the financial risks involved to a large extent. The Reserve Management Division of the Markets Department is in charge of reserve management, while the Financial Risk Management Division handles the associated risk management.

In 2025, global financial markets were shaped by the decline in inflation in advanced economies, cautious rate-cut cycles guided by economic activity and labor market data, policy divergence among central banks, and geopolitical and political developments. Throughout the year, financial asset pricing remained highly sensitive to economic data and central bank communication. The resilient growth performance of the US economy led the Fed to continue its rate cuts in a gradual and data-driven manner. Despite the decline in short-term interest rates, long-term government bond yields increased across advanced economies, driven by concerns over debt sustainability and political developments, leading to a steepening of yield curves. The US dollar index assumed a downtrend, as yield spreads narrowed against the US dollar in line with policy divergence among advanced economy central banks, and political developments weakened safe-haven demand for the dollar. In parallel, the EUR/USD parity recorded a notable increase compared to end-2024. In the euro area, the ECB shifted to a data-driven approach in the second half of the year, keeping policy rates unchanged in line with moderate growth dynamics and fiscal developments. Meanwhile, concerns over fiscal discipline and political uncertainties caused volatility in sovereign yield spreads across euro area countries. In Asia, the Bank of Japan's ongoing normalization process, together with political developments, pushed Japanese government bond yields higher, while feeding market volatility through global interest rate differentials and exchange rate channels. In China, weak domestic demand and structural problems in the real estate sector continued to weigh on the growth outlook, and bond yields remained at low levels despite fiscal and monetary support measures. While gold performed strongly amid rate-cut expectations, geopolitical and political risks, concerns over the independence of the Fed, and central banks' purchases, becoming a primary hedge in portfolios, energy prices showed fluctuations due to the global demand outlook. In general, 2025 stood out as a period in which central banks' rate cuts and policy divergence, fiscal discipline debates, as well as political and geopolitical risks were priced-in altogether, and which was marked by elevated uncertainty. The CBRT's reserve management strategies in 2025 were also shaped by these developments. In this period of elevated global economic and financial risks, the CBRT continued to carry out its reserve management in line with monetary policy objectives and practices, prioritizing safe investment, liquidity and return, respectively.

In 2025, the Bank maintained its strategy to strengthen reserves as long as market conditions permitted and it did not conflict with the inflation target. The CBRT's international reserves increased further in 2025, going up by USD 28.9 billion from the previous year to USD 184.1 billion as of December 31, 2025. Of this total, foreign currency reserves accounted for USD 71.7 billion and gold reserves for the remaining USD 112.4 billion. Making up 61% of total international reserves, the CBRT's gold reserves of international standards amounted to 811.4 tons as of December 31, 2025 (Charts 2.7.1 and 2.7.2).

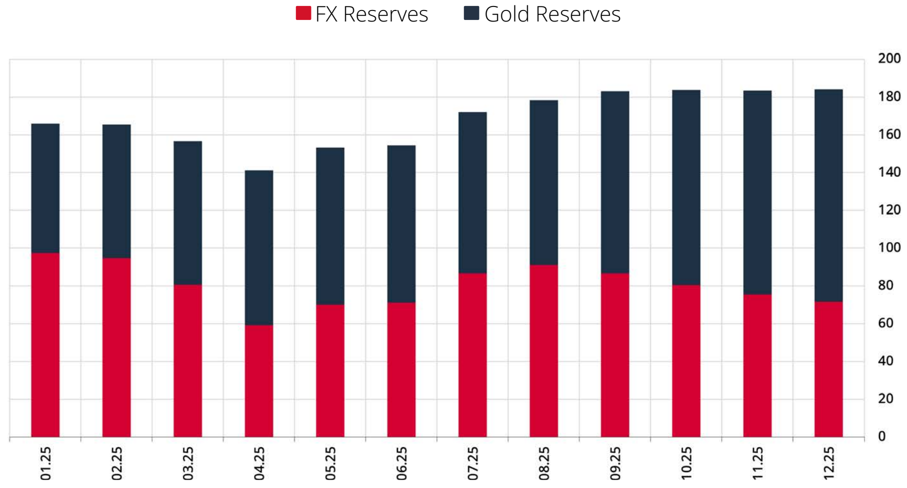
Chart 2.7.1: CBRT's FX and Gold Reserves 2001-2025 (USD Billion)



Source: CBRT

Last Observation: December 31, 2025

Chart 2.7.2: CBRT's FX and Gold Reserves in 2025 (USD Billion)



Source: CBRT

Last Observation: December 31, 2025

2.8 Corporate Risk Management

2.8.1 Operational Risk Management

Under the operational risk management, operational risk factors of processes at the CBRT are assessed and reported in collaboration with business units. In addition, operational risk incidents are systematically monitored and registered in incident record reports. Accordingly, risk assessments are made through the monitoring of corrective and preventive action plans for the risks reported. Simultaneously, in line with business continuity plans, studies are carried out to revise critical processes according to changing conditions and to enhance organization and efficiency of emergency centers.

In June 2025, the CBRT amended the Main Regulation on the Organization and Duties of the CBRT to establish the Operational Risk and Process Management Division (ORPMD) under the Treasury and Corporate Operations Department to carry out activities related to process management, operational risk management, and business continuity. This new organizational structure transferred to the ORPMD the responsibilities related to business processes previously held by the Organization and Process Management Division of the Human Resources Department, and the responsibilities related to operational risk and business continuity previously carried out by the Corporate Risk Management Division of the Markets Department. The new division has initiated work on updating the relevant legislation, revising existing guidelines and documents, and raising awareness.

2.8.2 Financial Risk Management

Financial risks that the CBRT may be exposed to due to its operations are composed of credit, market and liquidity risks, and are managed in coordination with business units. A significant portion of the financial risks that the CBRT is exposed to due to its operations emerges in the course of fulfilling legal duties such as implementing monetary and exchange rate policies and managing reserves. Financial risks, which the CBRT is exposed to while implementing monetary and exchange rate policies, are a consequence of the policy objectives the Bank pursues in its capacity as the monetary authority. On the other hand, financial risks related to reserve management result from investment preferences. The CBRT manages its reserves conservatively in view of the priorities defined by the CBRT Law No. 1211.

In its operations related to reserve management and monetary and exchange rate policy, the CBRT is exposed to credit risk, defined as the possibility that a counterparty may partially or entirely fail to fulfill its obligations. Credit risk arising from the management of international reserves is managed by identifying leading international financial institutions and borrowers with high credit quality and allocating credit risk limits to these entities. Credit risk associated with monetary and exchange rate policy operations is managed by obtaining collateral covering the full transaction amount along with a specified margin. Moreover, for some transactions, the payment-after-collection method is adopted and thus, the credit risk exposure is largely minimized.

Market risk refers to the possibility of incurring a loss due to price fluctuations in financial markets. The major sources of market risk which the CBRT is exposed to are interest rates on the Bank’s reserve assets, exchange rates and gold prices. To manage the market risk arising from reserve management, the Bank has adopted the “Asset/Liability Matching” approach. Accordingly, the Bank identifies target currency composition, target duration and limits of deviation from these targets, as well as liquidity constraints, with a view to minimizing market and liquidity risks. In this context, the CBRT has managed credit, market and liquidity risks as per specified limits, and closely monitored developments likely to affect the risks incurred.

2.9 Green Economy and Climate Change

Without prejudice to its primary objective of price stability, the CBRT contributes to national environmental goals in the fields of green and sustainable finance, in coordination with relevant public authorities. Among the CBRT's related endeavors in 2025 are taxonomy, carbon pricing, and green finance strategy, all of which directly support the green transition and sustainable development.

As part of its international engagement, the CBRT has contributed to reports prepared by the Network for Greening the Financial System (NGFS), of which it has been a member since 2021. In terms of technical cooperation, the CBRT has also engaged in mutual exchange of experience and knowledge with the central banks of Italy, Hungary, Georgia, Ukraine, and Tajikistan. The CBRT representative chairing the Environmental, Social, and Governance (ESG) Committee of the World Bank's International Committee on Credit Reporting (ICCR)—of which the CBRT is a member—presented a global draft guidance document on the contribution of the ESG to credit reporting at the ICCR Spring Meetings held in June 2025.

To support sustainable finance, the CBRT has exempted from the loan growth limitation Turkish lira-denominated SME loans obtained from international development finance institutions and disbursed under sustainability frameworks.
The CBRT published a research note in economics, titled "Examining the Carbon Border Adjustment Mechanism from a Firm Level Perspective (in Turkish)" on its website, and a CBRT paper titled "How Do Oil Supply and Carbon Policy Affect Firms' Expectations and Decisions?" featured in the CBRT's Central Bank Review journal.

Five seminars were organized covering topics such as the pricing of green bonds, the impact of the European Union Carbon Border Adjustment Mechanism (CBAM) on Türkiye, sustainable finance data, Climate Law No. 7552, taxonomy, and sustainability reporting. In addition, work continued on the preparation of green bulletins summarizing recent developments and featuring various analyses, with the aim of strengthening internal capacity and raising awareness.

Last but not least, in connection with Türkiye's assumption of the presidency of COP31, which it will host in 2026, the CBRT has been engaged in providing the necessary technical support and contributions in areas falling within the CBRT's mandate.

2.10 Communication

2.10.1 Accountability and Monetary Policy Communication

For the CBRT, clear and timely public understanding of its monetary policies is one of the keys to policy effectiveness. To this end, the CBRT reinforced its communication in 2025 in line with the principles of accountability and transparency, and adopted a multilayered communication approach to enhance predictability of the monetary policy stance.

As part of the accountability principle, Governor Fatih Karahan, Ph.D., made presentations before the Plan and Budget Committee of the GNAT on May 6 and October 7, 2025. These presentations included assessments of the monetary policy implementation, the inflation outlook, and medium-term expectations. Governor Karahan answered questions from the Committee members, and gave a transparent account of the rationale and the objectives of monetary policy decisions.

Pursuant to Article 42 of the CBRT Law No. 1211, the CBRT sends an Open Letter to the Government when the inflation target could not be achieved. The Letter drafted in compliance with the accountability principle was published on the CBRT website on February 7, 2025. In the scope of the transparency principle, the CBRT continued to publish its analytical balance sheet on its website on a daily basis, and shared with the public its independently audited balance sheet and income-expense statements along with the results of the audits.

The CBRT continued to publish MPC announcements and Inflation Reports as its main communication documents. Through the Inflation Reports, the CBRT shared its assessments concerning global economic developments, inflation dynamics, supply and demand conditions, financial markets and public finance. As of the Inflation Report Briefing 2025-III, the CBRT revised the communication strategy for medium-term forecasts to include interim targets.

Inflation Report briefings were held on February 7, May 22, August 14 and November 7, 2025 at the CBRT's premises at the İstanbul Financial Center. Governor Karahan made presentations in these briefings, followed by a question-and-answer session in which the Governor and Deputy Governors answered participants' questions. After the reports were published on the website, key messages from Governor Karahan's presentations were shared with members of the press. These briefings were also broadcast live on the CBRT's website as well as on its YouTube and X platforms. In line with the multilayered communication strategy, short videos excerpted from the Governor's speeches were posted on the CBRT's social media accounts.

As part of direct communication activities, Governor Fatih Karahan, Ph.D. gave presentations, speeches and interviews in Türkiye and abroad. Governor Karahan's interviews with the Anadolu Agency and the Bloomberg News were published on March 13, 2025 and September 5, 2025, respectively.

On November 26, 2025, Governor Karahan's live webcast on "Monetary Policy and Macroeconomic Outlook" was streamed on the CBRT's corporate website and social media accounts.

The CBRT published the MPC decisions and the summaries of MPC meetings on its website. On December 28, 2025, the Bank published its "Monetary Policy for 2026" text, which laid down the general framework of the monetary policy to be pursued in 2026. In addition, the CBRT shared information about its major actions and implementation changes that were of significant public concern through press releases over the year. Accordingly, the CBRT published 64 press releases on its website in 2025, which were also made accessible to a wider audience through the corporate social media accounts.

The CBRT continued to publish the Financial Stability Reports in May and November to share its assessments of the developments regarding financial stability. Main messages from the reports were also shared in short videos on social media.

The Monthly Price Developments Report remained a significant communication tool for promoting better public understanding of the monthly inflation outlook and the disinflation path in 2025. The Report is issued every month on the first working day following the release of inflation figures.

2.10.2 Communication with the Public

The general public, members of the press, and real sector representatives remained the major target audiences of the CBRT communication in 2025. Throughout the year, the CBRT actively used digital communication tools and maintained its two-way communication strategy as well as the plain language approach.

The CBRT actively used its website, the main communication channel, and also carried out its communication through its X, LinkedIn, NSosyal, Instagram, Facebook, YouTube and Flickr accounts. All reports, statistics and visuals used in monetary policy communication were structured according to the target audience and announced to the public in a timely and transparent manner via appropriate social media platforms. In addition, two new accounts were launched on NSosyal (@merkez_bankasi) and Instagram (@merkezbankasi) in 2025.

As part of the active and two-way communication with stakeholders, Governor Karahan maintained contact with the Board of Directors of the Banks Association of Türkiye (BAT) and the Participation Banks Association of Türkiye (TKBB) throughout 2025. On August 28, 2025, he met with the representatives of investment agencies and portfolio management companies operating on capital markets. As part of the communication with the representatives of the business circles and non-governmental organizations, Governor Karahan also held "Monetary Policy and Macroeconomic Outlook" meetings in Ankara, İstanbul, Eskişehir, Uşak, Denizli, Kayseri, Bursa and Kocaeli. In addition, he made a presentation on "Inflation Outlook in Türkiye" in London and presentations on "Monetary Policy and Inflation Outlook in Türkiye" in Washington and New York. These meetings addressed issues regarding the macroeconomic outlook, financial stability, CBRT policies and strategies, and the disinflation process. The Governor's presentations were published on the CBRT's website, while the visual content and information about the meetings and presentations were shared on social media. Moreover, respective translations of Turkish and English presentations started to be published regularly on the CBRT website in 2025.

In 2025, the CBRT continued to share topical content about the CBRT's policies and strategies on its blog page (CBRT Blog). Accordingly, 18 new analyses were published on the blog.

The 'Economics for All' microsite, which aims to reach out to different segments of society in relation to financial literacy and economic education, was further enriched with new content that would contribute to a better understanding of CBRT policies and latest economic developments.

The CBRT continued to respond to suggestions and complaints as well as requests for information and documents sent through various channels in the scope of the Right to Information Act, the Law on the Exercise of the Right to Petition, and the Regulation on the Republic of Türkiye Presidency's Communication Center (CIMER). Applications processed duly in 2025 totaled 5,193 through petitions, the CBRT's corporate email address, the Right to Information System (BES) and the "Contact Us" page on the CBRT website; 13,554 through CIMER; and 2,620 through the CBRT Complaint Management System.

2.10.3 Investor Relations

The CBRT continued to organize meetings with institutional investors and credit rating agencies (CRAs) in 2025. A hundred and seven investor meetings were held with domestic and foreign institutional investors, economists, analysts and portfolio managers, and six meetings were held with CRAs. Through these meetings, the CBRT contacted a total of 831 institutional investors.

Table 2.10.3.1 Meetings Held in 2025

Period	Meetings with CRAs	Meetings with	Number of Institutional Investors
January-March 2025	1	19	85
April-June 2025	3	29	261
July-September 2025	2	21	154
October-December 2025	-	38	331
Total	**6**	**107**	**831**

In addition, investor meetings were held with 440 institutions with the participation of the Governor and Deputy Governors during the IMF-World Bank (WB) Spring Meetings on April 21-26, 2025 and the IMF-WB Annual Meetings on October 13-18, 2025.

The Governor and Deputy Governors also attended and gave speeches in conferences and forums on Türkiye organized by leading institutional investors in İstanbul, London and New York in 2025. On the sidelines of these meetings, bilateral meetings were also held with portfolio managers and economists.

Moreover, meetings were held with institutional investors on October 1-2, 2025 in Abu Dhabi and Dubai when the CBRT and the Central Bank of the United Arab Emirates came together to sign three agreements to enhance financial cooperation and foster trade and economic relations. At these meetings, the Bank shared with the participants its monetary policy actions and assessments of the latest developments in the Turkish economy, thereby contributing to a timely, accurate and effective monetary policy communication.

2.11 International Cooperation and Events

2.11.1 Relations with International Organizations

The CBRT contributed to periodic meetings organized by the G20, the IMF and the BIS, and established necessary coordination and attended meetings with internal and external stakeholders.

Within the framework of the routine IMF Article IV negotiations, the Bank participated in the meetings coordinated by the Ministry of Treasury and Finance between October 30 and November 13, 2025, and contributed to agenda items. During these meetings, the IMF delegation was briefed on the current state of the Turkish economy and the financial sector as well as the CBRT's monetary policy actions.

The IMF sent a mission to Türkiye for the revision of the Fiscal Transparency Evaluation process for Türkiye between November 14 and November 28, 2025. The CBRT delegation also participated in the meetings held in the scope of this visit.

The CBRT hosted the seventh meeting of the "OIC-COMCEC Central Banks Forum", for which the CBRT acts as the secretariat, on September 28-29, 2025 in İstanbul. The first session of the meeting addressed the global economic and financial outlook in the context of trade developments and geopolitical risks, and included assessments of economic developments in OIC member countries. The second session revolved around payment services and cross-border transactions. Participants shared their country experiences and examples of best practices. The third session focused on assessments of the progress over the last decade in priority areas that were defined in the OIC-2025: Programme of Action and had direct economic dimensions. In addition to Forum sessions, a workshop on "Payment Services and Cross-Border Transactions" and a panel on "Expectations and Inflation Dynamics in OIC Countries" took place.

In the scope of the work on country economic reports for member countries published by the EDRC every two years, a high-level OECD delegation visited the CBRT on January 8, 2024 to share their findings and policy recommendations for Türkiye. Moreover, the Turkish delegation, also including CBRT officials, engaged in talks with the OECD-EDRC officials between February 17 and February 19, 2025 in Paris to finalize the survey. The launch meeting for the OECD Economic Surveys: Türkiye 2025 took place on April 10, 2025 in İstanbul.

The CBRT held meetings with the European Bank for Reconstruction and Development (EBRD) on June 25, September 16, and November 12, 2025 to exchange information on the global outlook, Türkiye's economic situation and investment opportunities, in coordination with internal and external stakeholders.

As part of the preparatory work for the "Transition Period Country Partnership Strategy" initiated after the Asian Development Bank's (ADB) upgrade of Türkiye's status to regional member, the ADB sent missions to the CBRT on March 19, July 2, July 14, and September 12, 2025 to identify potential stakeholders for projects to be funded as well as to exchange information on Türkiye's macroeconomic outlook and financial regulations.

The first meeting of the Council of Central (National) Banks of the Member States of the Organization of Turkic States (OTS) was hosted by the National Bank of the Republic of Kazakhstan on May 27-28, 2025 in Astana. The meeting addressed the current economic conditions and monetary policies of OTS countries as well as financial technologies and central bank digital currencies.

2.11.2 Participation in International Events

The CBRT participated in online meetings held by the working subgroups of the Customer Focus Group (CFG), which consists of representatives of the banknote printing plants that use machines manufactured by the company Koenig&Bauer Banknote Solutions.

Members of the CBRT staff attended the 4th "Data Science in Central Banking" workshop organized jointly by the BIS Irving Fisher Committee on Central Bank Statistics (IFC) and Banca d'Italia (Italy's central bank) between February 18 and February 20, 2025 in Rome, and delivered a presentation on "Istanbul Electricity Demand Forecast with Artificial Neural Networks".

The CBRT participated online in the "Technical Seminar Towards Experimental Estimates of Digital Trade" organized by the OECD Working Group on Statistics of International Trade in Goods and Services (WPTGS) on February 25, 2025.

On March 18-20, 2025, the CBRT attended the "A Practical Vision on the Fight Against Counterfeiting" event in Lisbon, Portugal that brought together representatives from European Union member and candidate countries as part of the efforts to protect the euro against counterfeit steered by Banco de Portugal (the Central Bank of Portugal) under the 2025 Programme for the Protection of the Euro against Counterfeiting (Pericles).

CBRT staff members attended the meeting of the Working Group on International Investment Statistics (WGIIS) organized by the OECD on March 24-26, 2025 in Paris, and gave a presentation on the "Turkish Experience on Compiling Inward Direct Investment Position".

The CBRT attended the "Digital Euro Conference 2025" on March 27, 2025 in Frankfurt. The conference hosted high-level executives from worldwide finance and technology sectors as well as central banks, international institutions, and private sector firms. There were presentations throughout the event that focused on the use of digital currencies in retail, wholesale and international payments; digital currency regulations; work related to tokenized bank deposits; interoperability of systems; digital identity approaches; and central banks' digital innovation studies.

Bank staff attended the online "Meeting of the International Trade in Services Statistics Working Group (ITSS WG)" organized by EUROSTAT on April 8-9, 2025.

The CBRT participated in the event organized by the Manufacturing Processes Committee (MPC), one of the technical committees operating under the European Banknote Conference (EBC), on April 8-11, 2025 in Athens, Greece.

On April 10, 2025, the CBRT attended online the "Personal Transfers and Workers Remittances" meeting organized by the Deutsche Bundesbank (the central bank of Germany) and made a presentation on "Türkiye's Experience: Remittances".

As a member, the CBRT carried out work under the Cash Issuance Committee of the European Banknote Conference, which is composed of central banks and banknote printing plants of European countries and functions in the fields of banknote printing and cash management. Accordingly, the members of the Issue Department attended the 2025 meeting of the Committee hosted by the Oesterreichische Nationalbank (the central bank of Austria) on April 23-25, 2025 in Vienna.

The CBRT attended online the meetings that the "European Committee of Central Balance Sheet Data Offices (ECCBSO) Financial Statement Analysis (FSA)" working group, of which the CBRT is a member, held on April 29-30, 2025 and September 11-12, 2025 to set common international standards for real sector statistics.

The CBRT participated in the training course on "Effective Visualization in Statistical Distribution" organized by the Federal Statistics Office of Switzerland on May 6-7, 2025 in Neuchâtel, Switzerland, and made a presentation on "Data Visualization Practices at the CBRT".

The CBRT attended the event organized by the Banknote Security Committee, one of the technical committees operating under the EBC, on May 6-8, 2025 in Warsaw, Poland, which offered a platform to exchange information among similarly equipped banknote printing plants, follow technological advancements, assess secure design trends, and discuss challenges encountered during the manufacturing and circulation stages.

The CBRT took part in the event organized by one of the EBC's technical Banknote Materials Committee (BMC) on May 6-7, 2025 in Oslo, Norway.

The CBRT officials attended the "Experts Meeting" organized by the European Union Agency for Law Enforcement Cooperation (EUROPOL) on May 15-16, 2025 in the Hague, the Netherlands to evaluate the latest developments and experiences in the fight against banknote counterfeiting as well as to examine various counterfeiting cases.

The Bank attended online and contributed to the "Thematic Workshop on Securities Statistics and Recommendation 4 on Climate Finance" that took place as part of the G20 Data Gaps Initiative Phase III studies on May 20-21, 2025 in Brazil.

The CBRT participated in the "Workshop on Crypto Assets and CBDC Data Collection and Design" organized by the IMF on May 28, 2025 in Saudi Arabia and contributed with a speech on Turkish practices.

The Turkish Economic Association (TEA) organized an international conference named "TEA 2025 – Spring Meeting" on May 29-31, 2025, which hosted sessions with empirical and theoretical presentations on economics and finance. At this conference, the CBRT's Issue Department made presentations on "A Province-Based Comparative Analysis of Digital and Traditional Financial Inclusion in Türkiye (in Turkish)" and "Consumer Payment Behavior in Türkiye: What Drives Cash Preference?"

The CBRT attended the General Meeting of the European Banknote Association under the EBC, hosted by the Swiss National Bank on June 3-6, 2025 in Bern, Switzerland.

Issue Department officials participated in the meeting of the "Group of Central Banks of Countries Using Banknote Processing Systems (BPS)", of which the CBRT is a member, held on June 9-11, 2025, in Seattle, USA. The Issue Department also sent its representatives to the meetings of Technical Advisory Group of Central Banks of Countries Using BPS held on April 8-10, 2025 in Sarajevo, Bosnia Herzegovina and on September 22-25, 2025 in Guadalajara, Mexico.

The CBRT participated in the İstanbul Fintech Week held on June 11-12, 2025 in İstanbul. During the event, which was attended by sector practitioners and relevant parties in the field of fintech, fruitful discussions took place on various subjects from digital assets to the use of artificial intelligence, from WEB3 to traditional finance, and from digital finance to women in fintech.

On June 11-12, 2025, the CBRT attended the online meeting of the "Eurostat Real Estate Price Statistics" (REPS) working group, of which the Bank became a member to exchange information about real estate statistics and follow the related developments around the world.

The CBRT participated as a member in the online meetings of the "BIS Group of Experts" working group held on June 18, 2025 and November 11, 2025 oriented towards enhancing the data richness and quality of the BIS Data Bank as well as the use of artificial intelligence.

On June 27-29, 2025, the CBRT attended the BIS Annual General Meeting in Switzerland as well as the sessions held by the BIS Innovation Hub on the sidelines of the meeting. The meetings addressed the global economic outlook as well as issues such as the potential risks of stablecoins and the impact of artificial intelligence on central banking.

The CBRT participated in the Cross-Border FX Conversion and Settlement Workshop organized by the BIS Innovation Hub on July 2-3, 2025 in Singapore. The workshop centered around the interim reports of the BIS Innovation Hub's Meridian FX and Rialto projects published in April 2025 and February 2025, respectively, with cross-border payment solutions such as synchronization and tokenization, and interoperability development constituting its main discussion topics.

The CBRT participated in the workshop on "Implementing 2025 System of National Accounts (SNA) and Compiling Digital Supply and Use Tables" organized under the collaboration of the United Nations Economic and Social Commission for Western Asia (ESCWA), the Arab Monetary Fund (AMF), the United Nations Statistics Division (UNSD), the Arab Institute for Training and Research in Statistic (AITRS), the International Monetary Fund (IMF), and the League of Arab States (LAS) on September 9-11, 2025 in Abu Dhabi, the United Arab Emirates.

In the scope of the second phase of the Pericles project "Euro Counterfeit Technical Analysis Training and Enforcement of ALERT Network in South-East Europe", which aims to exchange information and experience in the fight against euro counterfeiting with the Croatian National Bank, the CBRT's Banknote Printing Plant hosted a work visit by the officials of the Croatian National Bank. The CBRT participated in the event held on September 15-16, 2025 in İstanbul as part of the third phase of this project.

The CBRT participated in the "Financial Crimes in Banking: Detection, Prevention, and Compliance" program that took place on September 22-25, 2025 in Malaysia. The program included a number of sessions on case analyses and interactive discussions about the nature of financial crime risks, typologies and modern compliance mechanisms.

On September 24-25, 2025, the CBRT attended the online "Travel Workshop-Ljubljana" conference organized by the Bank of Slovenia.

The CBRT attended online the "Monetary and Financial Statistics Advisory Committee" meetings organized by the IMF on September 24, 2025 and December 2, 2025.

The CBRT hosted the OIC-COMCEC Central Banks Forum in İstanbul on September 28-29, 2025. Attended by high-level central bank executives of OIC member countries, the forum was opened by Governor Fatih Karahan, Ph.D. The forum also hosted a workshop on "Payment Services and Cross-Border Transactions" and a panel on "Inflation Expectations and Dynamics in OIC Countries".

The CBRT participated in the Committee Meeting organized by the BIS Irving Fisher Committee on Central Bank Statistics (IFC) on October 5, 2025 in the Hague, the Netherlands as well as the 65th World Statistics Congress organized by the International Statistical Institute (ISI) on October 5-9, 2025 in the same city.

The CBRT attended the meetings of the Working Group on Statistics of International Trade in Goods and Services (WPTGS) and the Working Group on International Investment Statistics (WGIIS) held by the OECD on October 15-17, 2025 in Paris.

The CBRT participated in the annual evaluation meeting on tendency surveys conducted by the European Commission under the Joint Harmonized European Union Programme of Business and Consumer Surveys on October 16-17, 2025, and made a presentation on "Determinants of Firms' Inflation Expectations".

The CBRT took part in the "Hong Kong Finance Week" event organized on November 3-4, 2025 in Hong Kong. At this event, the CBRT hosted an exhibition booth to promote the Digital Turkish Lira Project and displayed a poster presentation showcasing the current state of the project as well as its innovative aspects. The poster presentation included the features of the system as well as information about the studies on programmable payments, offline payments and simulations.

The CBRT, as a member, participated in the online meeting of the "European Statistical System Committee (ESSC) – Eurostat Task Force on Commercial Real Estate Indicators (TF CREI)" working group on November 5, 2025.

The CBRT attended the "Expert Meeting on Dissemination and Communication of Statistics" organized by the United Nations Economic Commission for Europe on November 5-7, 2025 in Athens, and made a presentation on "Adapting to Changing Ecosystem of Statistical Communication: Case of CBRT".

The CBRT participated in the “Mint and Print 2025 Conference” held on November 10-13, 2025 in İstanbul to discuss the latest trends, new technologies, and miscellaneous problems and opportunities in the world of international banknotes and coins. The opening speech was given by an official of the Banknote Printing Plant, while the Issue Department representatives made presentations on “Cash Circulation in Türkiye” and “Cash Usage in Türkiye: Demand and Access”.

On November 13, 2025, the CBRT attended the “Strengthening Retail Payment Security: Tackling Fraud to Safeguard Trust” conference in France. Hosting representatives of central banks, regulatory authorities, large payment institutions and technology providers, the conference consisted of sessions on cross-border data sharing about increased fraud in digital payments, authentication processes, regulatory changes, and artificial intelligence-based detection mechanisms.

The CBRT participated in the “Central Asia Fintech Summit” held on November 13-14, 2025 in Almaty. Bringing together central banks, private sector firms and public institutions, the summit included presentations on digital currency and cross-border payments, the Central Asian fintech ecosystem, the future of payment instruments, digital innovations in the finance sector, and the use of artificial intelligence.

The Bank attended the virtual meeting of the ITSS Working Group organized by EUROSTAT on November 20, 2025.

The CBRT participated in the “Meeting of the Working Party on Financial Statistics (WPFS)” and the “Conference on National Economic and Financial Accounts (CNEFA)” organized by the OECD on November 24-27, 2025 in Paris. The CBRT representative presided over the “Macroeconomic Financial Trends” and “Using Artificial Intelligence for Producing Statistics” sessions.

On December 1-2, 2025, the CBRT attended the “Annual Financial Accounts Expert Group” meeting of EUROSTAT in Luxembourg.

The CBRT, as a member, attended the General Assembly Meeting of the Central Bank Counterfeit Deterrence Group (CBCDG) held on December 3-4, 2025 in Basel, Switzerland. CBCDG General Assembly Meetings are held once a year, and in these meetings, the heads of delegations from member countries of the European Banknote Conference and representatives of other member countries not included in the European Banknote Conference are informed about the activities of the CBCDG by the management, necessary decisions are taken and the CBCDG budget is approved.

The CBRT attended the “Balance of Payments Working Group” meetings of EUROSTAT held in February-May-December 2025 to stay tuned to international developments.

2.11.3 Relations with Central Banks

Bilateral cooperation with partner central banks is one of the key components of the CBRT's international economic relations framework. Through active bilateral relations, the CBRT aims to reinforce existing bonds with partner central banks and establish new channels of cooperation. Such efforts serve the purposes of providing corporate value added for the CBRT, contributing to capacity development of partner central banks, increasing the effectiveness and visibility of the CBRT in the international arena, and keeping track of global developments in the field of central banking.

Technical cooperation enabling exchange of technical information and experience among central banks is one of the most effective means in this regard. In 2025, the CBRT carried out 68 technical cooperation activities with 30 central banks. Of these activities, 51 were in the form of online meetings and 17 were in the form of working visits. These technical cooperation activities covered a wide range of central banking topics such as monetary policy implementation, macroprudential regulations, payment systems, central bank digital currency, statistics, and sustainable economy.

In addition, the CBRT also made use of written information sharing processes as a supplementary method of cooperation to meet largely project-based needs. Accordingly, partner central banks responded to nine written information requests that the CBRT sent, and the CBRT responded to five information requests from stakeholders, thereby further reinforcing bilateral cooperation.

Meanwhile, several agreements were signed to carry bilateral relations into a corporate framework and expand the existing network of coordination. Accordingly, memorandums of understanding were signed with the central banks of Pakistan and The Gambia for technical cooperation. Additionally, the CBRT signed three memorandums of understanding, two with the Central Bank of the United Arab Emirates on payment systems and trade in local currencies, and one with the People's Bank of China on renminbi swap arrangements.

Moreover, currency swap agreements were signed with the National Bank of Kazakhstan and the Central Bank of the United Arab Emirates to facilitate bilateral trade in local currencies, encourage investments and support financial cooperation, while the existing swap agreement with the People's Bank of China was renewed.

Cooperation at the technical level was underpinned by high-level bilateral meetings. During these meetings with representatives of central banks and diplomatic missions, regional and global economic developments were evaluated and opportunities for economic and financial cooperation were addressed, particularly for promoting the corporate relations with the related central bank.

In this context, high-level bilateral meetings were held with the central banks of Azerbaijan, Bangladesh, Indonesia, The Gambia, Iran, Qatar, Kazakhstan, Kyrgyzstan, Libya, Lebanon, the Maldives, Nigeria, Uzbekistan and Tajikistan on the sidelines of the 7th OIC-COMCEC Central Banks Forum on September 28-29, 2025.

2.11.4 Participation in International Working Groups

The CBRT participated in an array of activities carried out by bodies established by the FSB, CPMI and other relevant international organizations and standard-setting authorities: the Future of Payments Working Group (FoP) and the Target Data Group for Developing the Implementation Approach for the Cross-Border Payments Targets, established under the Roadmap for Enhancing Cross-border Payments.

As a member of the Central Bank Digital Currencies working group under the BIS Innovation Network, the CBRT participated in the online meetings held throughout the year.

2.11.5 Organizations

International Events

The CBRT meets with economic and financial circles at international platforms to exchange views and represents the country at appropriate levels. Below is a list of major events in which the CBRT participated.

- G20 Finance and Central Bank Deputies on February 24-25, April 11, July 14-15, October 7-8, and December 15-16, 2025,
- G20 Finance Ministers and Central Bank Governors Meetings on February 26-27, April 23-24, July 17-18, and October 15-16, 2025,
- Bimonthly BIS Meetings on January 10-14, February 28-March 1, May 11-12, June 28-29, September 7-8, and November 9-10, 2025,
- BIS Annual Meeting of Deputy Governors of Emerging Market Economies on March 17-18, 2025,
- IMF Article IV Meetings between October 30 and November 13, 2025,
- IMF Fiscal Transparency Evaluations Meetings on November 14-18, 2025,
- IMF-World Bank Group (WBG) Spring Meetings on April 21-26, 2025,
- IMF-WBG Constituencies' Meeting at Deputies Level on May 22-24, 2025,
- IMF-WBG Annual Meetings on October 13-18, 2025,
- OIC-COMCEC Central Banks Forum Meeting on September 28-29, 2025,
- Ministerial Session of COMCEC on November 1-4, 2025,
- EBRD Meetings on June 27, September 16, and November 12, 2025,
- ADB Meetings on March 19, July 2, July 14, and September 12, 2025,
- Meeting of the Council of Central (National) Banks of the OTS Member States on May 27-28, 2025,
- Meetings for the OECD-EDRC Economic Surveys: Türkiye 2024 on January 8, February 17-19, and April 10, 2025.

National and International Events

The CBRT organized several meetings to enhance cooperation with other central banks as well as national and international institutions and to discuss topics related to the Turkish economy.

The Communications Department and the Protocol Division handled the organization of the events listed below:

- Briefing on Inflation Report 2025-I on February 7, 2025 at the CBRT's premises at the İstanbul Financial Center,
- Conference on "Monetary Policy in Emerging Markets" organized in collaboration with the US National Bureau of Economic Research (NBER), one of the world's leading economic research institutions, on May 7-8, 2025 in İstanbul,
- Briefing on Inflation Report 2025-II on May 22, 2025 at the CBRT's premises at the İstanbul Financial Center,

- “The Digital Turkish Lira Collaboration Meeting” held with the technology stakeholders of the Digital Turkish Lira Collaboration Platform on May 23-24, 2025 in İzmir,
- Briefing on Inflation Report 2025-III on August 14, 2025 at the CBRT’s premises at the İstanbul Financial Center,
- Briefing on Inflation Report 2025-IV on November 7, 2025 at the CBRT’s premises at the İstanbul Financial Center,
- The CBRT hosted the “Meeting of the FSB’s Regional Consultative Group for Middle East and North Africa (MENA)”, co-chaired by CBRT Governor Fatih Karahan and Central Bank of Egypt Governor Hassan Abdalla, on November 13, 2025 in İstanbul,
- “Banks Statistical Reporting Certificate Program” for the staff of reporting units of banks on November 19-21, 2025 in İstanbul,
- “Treasury Operations Workshop” on November 20-21, 2025 in Ankara, attended by the Ministry of Treasury and Finance’s Directorate General of Public Finance,
- The CBRT hosted the 17th traditional “Interbank Chess Tournament” on December 13, 2025 in İstanbul.

Protocol Activities

To reinforce existing communication, the CBRT carried out the preparatory arrangements for the following events concerning the visits of domestic and foreign delegations hosted by the Governor and/or Deputy Governors:

- “Türkiye Equity and FICC Conference” on January 15-16, 2025 in London, the United Kingdom,
- “FSB RCG MENA Meeting” on January 29-30, 2025 in Sharm El-Sheik, Egypt,
- “Conference for Emerging Market Economies” on February 16-17, 2025 in Al-Ula, Saudi Arabia,
- “The 1st G20 Finance Ministers and Central Bank Governors Meeting” and “BIS Bimonthly Meeting” between February 24 and March 1, 2025 in Cape Town, South Africa,
- The event organized by the Foreign Policy Association on March 12, 2025 in New York, the USA,
- Visit to New York, the USA between April 1 and 5, 2025,
- “ESG Adria Summit 2025” on April 8-9, 2025 in Tivat, Montenegro,
- Investor Meetings in New York and “IMF-WBG Spring 2025 Meetings” in Washington, D.C. between April 19 and 26, 2025,
- “BIS Bimonthly Meeting” and “SNB-FRB-BIS High-Level Conference on Global Risk, Uncertainty, and Volatility” in Basel, Switzerland and Investor Meetings in New York, the USA between May 11 and 18, 2025,
- “The First Meeting of the Council of Central (National) Banks of the Member States of the Organization of Turkic States” on May 26-28, 2025 in Kazakhstan,
- “2025 Bank of Korea Conference” on June 1-4, 2025 in Seoul, South Korea,
- “BIS Bimonthly Meeting” on June 26-29, 2025 in Basel, Switzerland,

- "Financial Congress of the Bank of Russia" on July 2, 2025 in St. Petersburg, Russia,
- "NBER Summer Institute 2025" in Boston, the USA and Investor Meetings in London, the UK between July 7 and 13, 2025,
- "The Fourth G20 Finance and Central Bank Deputies Meeting" on July 14-18, 2025 in Durban, South Africa,
- "BIS Bimonthly Meeting" on September 6-8, 2025 in Basel, Switzerland,
- "The High-Level Roundtable Workshop on Rethinking Monetary and Financial Sector Policies Amid Heightened Uncertainty" on September 17-18, 2025 in Tunisia,
- "UN General Assembly Investor Meeting" and "Türkiye-U.S. Business Council, 17th Türkiye Investment Conference" between September 19 and 28, 2025 in New York, the USA,
- Visit to the United Arab Emirates and the "Farewell Symposium Klaas Knot" in Amsterdam, the Netherlands between October 1 and 3, 2025,
- "IMF-WBG 2025 Annual Meetings" between October 13 and 18, 2025 in Washington, D.C., the USA,
- "BIS Bimonthly Meeting" on November 8-10, 2025 in Basel, Switzerland,
- "FSB Plenary Meeting and EMDEs Forum" on November 18-19, 2025 in Riyad, Saudi Arabia,
- Several programs were organized in-house and outside the Bank throughout the year in Ankara and İstanbul for domestic and foreign delegations with the participation of the Governor and/or Deputy Governors.

In addition, the Governor visited the following provinces to enhance communication with the representatives of the business world, and made presentations on "Monetary Policy and Macroeconomic Outlook":

- Eskişehir on January 17, 2025,
- Uşak and Denizli on February 10-11, 2025,
- Kayseri on July 28-29, 2025,
- Bursa on September 2, 2025,
- Kocaeli on October 8, 2025.

In-House Events and Internal Communication Activities

The CBRT organized various events to reinforce communication among its employees and enhance in-house interaction and coordination.

- The CBRT continued to organize workshops on topics related to the CBRT units' operation fields. Accordingly, seven in-house workshops were held in Izmir.
- The CBRT Corporate Sports Tournaments, which took place regularly from 2010 and 2019, started again with the 11th Tournament held between May 16 and 19, 2025 in Izmir.

- In Ankara, CBRT Employees and Retirees Turkish Art Music and Turkish Folk Music choirs gave concerts on June 13 and June 18, 2025, respectively.
- The CBRT initiated the "CBRT Internal Communication Conferences", with the first conference taking place on June 26-27, 2025 at the CBRT's İstanbul Financial Center Premises.
- As part of the "Year of Family 2025" initiative, the CBRT organized "CBRT Family Gatherings" to which employees from all units and branches attended with their families.
- In memory of former CBRT governors Dr. Rüşdü Saracoğlu and Süreyya Serdengeçti, and former deputy governors Assoc. Prof. Lutfi Hasan Ersel and Dr. Ercan Kumcu, who passed away in 2025, a digital Commemoration Volume of the Lira Journal, the CBRT's intrabank communication publication, was published on the intranet website in October. Moreover, an "In-House Memorial" was held at the CBRT's İstanbul Financial Center Premises.
- As part of internal communication activities, the CBRT launched "CBRT Open Platform" events to increase internal exchange of information and academic interaction. The first event took place on December 2, 2025 at the CBRT's İstanbul Financial Center Premises.
- New online pages were launched on the CBRT's intranet website to enhance communication among employees.

2.11.6 European Union Harmonization Activities

In the scope of Türkiye's EU accession process, the CBRT contributes to the work on harmonization with the EU acquis on issues that fall in its remit. Accordingly, it regularly monitors, evaluates and reports developments in chapters for which it is responsible, in coordination with the Directorate for EU Affairs of the Ministry of Foreign Affairs.

During the EU accession process, candidate and potential candidate countries are expected to adapt to the economic governance processes within the EU. Accordingly, candidate and potential candidate countries prepare Economic Reform Programs (ERPs) as a policy framework that incorporates medium-term macroeconomic policies and structural reforms. ERPs are regularly evaluated at the Economic and Financial Dialogue meetings every year. In this scope, the CBRT participated in the Economic and Financial Dialogue meetings in 2025.

The Economic and Financial Committee Alternates Meeting, the first step in the Economic and Financial Dialogue process, was held physically in Brussels on April 28, 2025. The follow-up High-Level Officials Meeting was organized online on May 5, 2025. During the meetings, the ERPs prepared by candidate and potential candidate countries[3] were evaluated, the Draft Joint Conclusions of the Economic and Financial Dialogue Meeting between the EU and the Western Balkans and Türkiye were discussed and the final text was agreed upon. The CBRT continued technical negotiations with the European Commission and the European Central Bank on issues falling within its mandate and contributed to the "Joint Conclusion" adopted at the Ministerial Meeting of Economic and Financial Dialogue, the last stage of this process, on May 13, 2025.

During this process, the CBRT met with European Commission officials on February 4, 2025 and European Central Bank officials on February 7, 2025 for the consultation of the ERP.

In addition, the CBRT participated in the biannual Economic Forecast Meetings for Candidate Countries organized by the European Commission as part of the Economic and Financial Dialogue process. At the meeting, projections regarding Türkiye's economic and financial outlook were discussed. Accordingly, the spring meeting was held on March 31, 2025 and the autumn meeting was held on October 9, 2025 in Brussels.

Lastly, the 2025 meeting of the Subcommittee No. 4 on Economic and Monetary Issues, Movement of Capital, and Statistics, which was established to monitor developments regarding the harmonization with the acquis during the EU accession process and to evaluate the work carried out and the alignment of Turkish legislation on "Free Movement of Capital", "Financial Services", "Economic and Monetary Policy" and "Statistics" chapters, was held in hybrid format on October 21, 2025.

[3] Albania, Bosnia Herzegovina, Georgia, Montenegro, Kosovo, North Macedonia, Moldova, Serbia, Ukraine, Türkiye

2.12 Research and Development Activities

2.12.1 Academic Research and Development Activities

In line with the importance it attaches to academic studies, the CBRT published on its website the Working Papers and Research Notes in Economics prepared by its staff. The number of peer-reviewed CBRT Working Papers based on research carried out by the CBRT staff increased by 18. Moreover, with a view to making a timely contribution to discussions on economic developments and sharing the results of the CBRT's studies on the Turkish economy and monetary policy, 23 Research Notes in Economics were issued.

In addition, several articles co-authored by CBRT employees were published in journals listed in the Social Sciences Citation Index (SSCI).

A series of "Research and Monetary Policy Department Seminars" were organized for the CBRT staff. At these seminars, experts from international organizations as well as domestic and foreign universities made presentations on their research.

2.12.2 Research and Development Activities on Structural Economic Developments

In 2025, the CBRT continued to conduct research and monitoring designed to analyze structural developments in the Turkish economy and identify structural factors limiting the effectiveness of monetary policy, make data-driven analyses and on-site observations on the effects of monetary policy on real sector activities, and develop policy recommendations based on inter-agency cooperation.

These activities can be grouped under the following key headlines:

- Analyzing structural economic factors shaping the Turkish economy, conducting joint studies with related institutions and agencies to detect and address structural factors pertaining to price stability,
- Conducting impact analyses based on comprehensive micro and macro data to gain insight into the effect of monetary policy on real sector firms,
- Monitoring and analyzing economic developments in real-time on a regional and sectoral basis as part of the Economic Lens to the Real Sector (RESIM) studies, and producing reports to contribute to the monetary policy processes,
- Conducting studies on the internal credit assessment system (ICAS) for the real sector firms, monitoring its riskiness using high-frequency data, and reporting on it regularly,
- Contributing to Türkiye's "Green Development Vision" and "2053 Net Zero Emission Target", within the CBRT's mandate,
- Contributing to the planning of the Bank's research agenda and increasing the institutional research capacity in the framework of the research agenda.

In this context, research and field observations were supported by up-to-date data, and the results of the studies were shared with the senior management.

In order to analyze structural developments and their interaction with monetary policy, empirical and theoretical methods were applied to study various topics such as pricing behavior, firm dynamics, labor markets, foreign trade developments, financial markets, competition, productivity and household behavior. The findings were regularly presented to policymakers during MPC processes and at meetings with stakeholder institutions.

In 2025, five articles prepared with the contributions of the Structural Economic Research Department staff were included in the Working Papers series, while two articles were published as research notes in economics and six articles were published as blog posts on the CBRT Blog. Some of these studies were presented to academics and policymakers at national and international seminars and conferences.

Within the scope of the Financial Support for Academic Studies Program (FSASP), financial support was provided for 15 academic conferences after an evaluation process. In 2025, 240 articles were submitted to the Central Bank Review, whose editorial and refereeing processes are carried out by the CBRT, and 22 articles were accepted and published.

The CBRT continued to closely monitor real sector developments as an insightful source of information for the monetary policy decision making process in 2025. In this regard, interviews were conducted with senior executives of firms in different sectors and representatives of NGOs to obtain comprehensive data regarding the current state and the future outlook of the economy. The trajectory of the economy and the real sector sentiment were monitored in a timely manner through interviews in monthly frequency, which provided insights for a sounder assessment of economic activity on a sectoral basis. These interviews served to exchange views with real sector representatives on the monetary policy framework and its impact, thus increasing the effectiveness of the CBRT's communication policy. Accordingly, a total of 2,702 interviews were made in 2025: 2,421 in the scope of cyclical studies, and 281 in the scope of various thematic and agricultural issues.

Reports on different sectors prepared based on these interviews were presented to policymakers. Accordingly, findings on cyclical developments obtained from the field continued to be shared with the public through the "Findings from Interviews with Firms" boxes and the "Zoom-In" sections in the Inflation Reports in 2025.

Real sector's riskiness was analyzed via econometric and machine learning models, using high-frequency and micro data. Findings from these analyses were presented to the senior management during the MPC processes and to policy makers during regular and thematic meetings held with relevant units and stakeholder institutions. In this context, a stress testing application for the real sector was developed to analyze the economic implications of potential sectoral and regional risks that may arise under different economic scenarios. In the scope of the collaboration with public institutions, the CBRT conducted model development studies as well as analyses for policies and incentives, and shared the results with the relevant institutions. Moreover, to enhance cooperation and improve rating analyses, the CBRT participated in the meetings of the Working Group on Risk Assessment (WGRA) under the European Committee of Central Balance-Sheet Data Offices (ECCBSO) of the European central banks, of which the CBRT is a member.

2.12.3 Research and Development Activities in Data Governance and Statistics

- New servers procured for the Big Data Platform (BDP) were installed, platform resources were expanded in line with requirements, the up-to-date and stable version of the platform was successfully set up, and all data were migrated from the legacy BDP environment to the new one.

- For the migration of BDP services to a containerized architecture, new servers were procured, a Kubernetes cluster was set up on these servers, the installations in the test environment were completed, and the production environment installations were initiated.

- In order to enhance data quality in the analytical database and to enable the timely detection of potential errors and/or inaccuracies, the open-source library Great Expectations was installed and integrated with the existing systems, thereby enabling the automated operation and reporting of the process.

- By developing various models trained on CBRT data, an artificial intelligence application that facilitates coding in Virtual Data Rooms has been integrated into statistical business processes.

- Apache Iceberg was installed to enable more efficient use of existing resources in the BDP environment, and this technology began to be used in the relevant tables.

- The pilot application for the new version of the Electronic Data Delivery System (EVDS) was launched following software updates, infrastructure improvements, and user-friendly design carried out using CBRT's internal resources.

- As part of the "Market Open Data Platform" project led by TÜBİTAK (the Scientific and Technological Research Council of Türkiye), data on prices collected from chain stores is now transmitted daily to the CBRT, and added to the BDP.

- The "Data Research Center (VERİM)" project, aiming to provide researchers not affiliated with the CBRT with secure and controlled access to microdata, was announced on July 28, 2025.

- The CBRT conducted a "Statistics User Survey" between October 13 and 24, 2025, to assess the quality of CBRT statistics and monitor user needs.

- With the publication of the Financial Accounts Statistics for the second quarter of 2025, improvements in methodology and scope were incorporated into the statistics as part of a major revision.

- The Weekly Monetary and Banking Statistics were updated in their content, coverage and presentation, and their publication in their new format began on February 13, 2025.

- The coverage of Foreign Exchange Assets and Liabilities of Non-Financial Companies statistics was expanded with the addition of derivative assets and liabilities upon publication on March 21, 2025.

- "Participation Banks' Profit Rates on Loans and Participation Accounts," "Financing Companies' Monthly Interest Rates on Stock Loans," "Banks' Monthly Interest Rates on Stock Loans," "Banks' Interest Rates on Savings Accounts and Commercial Deposit Accounts," and "Banks' Effective Maximum Interest Rate on Business Loans" series were introduced on April 17, 2025, under Interest and Profit Rate Statistics.

- As part of the third phase of the G20 Data Gaps Initiative, national commitments under Recommendation 4 on Climate Finance were fulfilled. Accordingly, data on debt securities began to be reported to the BIS on December 12, 2025.

- Data coverage and analytical capabilities of the CBRT Big Data Platform were enhanced in 2025 by integrating new data sources from institutions such as the Revenue Administration (GİB), the Central Registry Agency (MKK), the Credit Guarantee Fund (KGF), the Interbank Card Center (BKM), and the İstanbul Settlement and Custody Bank (TAKASBANK).

2.12.4 Research and Development Activities on Banknote Printing

Signatures on E9 series, version VI banknotes in denomination of TRY 100 and version VII banknotes in denominations of TRY 10 and TRY 20 have been changed.

Between 20 and 22 October, 2025, the Banknote Printing Plant underwent an audit by the Turkish Standards Institution to verify compliance of the Banknote Printing Plant's Quality Management System with the ISO 9001 Standards, the Occupational Health and Safety Management System with ISO 45001 Standards, and the Environmental Management System with ISO 14001 Standards. As a result of the audit, the Banknote Printing Plant's ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System documents were certified as valid.

2.12.5 Research and Development Activities on Information Technologies

In the field of Information Technologies (IT), establishment of technological solutions and systems in line with the Bank's objectives continued in addition to efforts to ensure the security and continuity of these systems. Below are the most significant of many improvements carried out throughout the year:

- The Architectural Transformation work, designed to equip the CBRT's technology for future readiness by opening up data and modernizing the infrastructure, was completed, transforming the architecture into a structure that is open to innovation, independent, and flexible.

- All technological infrastructure installations of the CBRT İstanbul Finance Center, Türkiye's tallest building, were completed on schedule, and CBRT employees were able to move from their old office to the new building overnight without missing a second of work.

- The EVDS, developed to support data-driven decision-making, was comprehensively updated using CBRT's resources. Upgraded version EVDS3 introduced new features and enhanced the user experience.

- The Swift ISO 20022 migration was successfully completed simultaneously with the rest of the world, ensuring continued compliance with global payment standards.

- In order to enhance cybersecurity maturity, initiatives were undertaken in the areas of data security, application security, incident response management, and information security risk management.

- As part of the support payments made to promote foreign exchange earning transactions in line with the Support and Price Stabilization Fund (DFIF), an Integrated DFIF Payment and Settlement Application was launched with the aim of ensuring the real-time and accurate collection of public receivables, shortening the time it takes to benefit from the support, reducing the need for obtaining and submitting physical documents, and streamlining the CBRT payment process. The application is fully integrated with the systems of the Ministry of Trade of the Republic of Türkiye, the Revenue Administration (GİB), the Social Security Institution (SSI), and Ziraat Bank A.Ş.

- Efforts to renew the Automation of Reserve Management is ongoing, and foreign exchange (FX), risk management, and accounting processes were successfully put into use after enhancement with new technologies to provide a better user experience.

- As part of the financial agency and public treasury functions of the CBRT, the Digital Document and Data Transfer Project was initiated to facilitate the electronic receipt of foreign payment orders, which were formerly collected in person from public institutions, and to enable the digital viewing of the generated receipts and account statements.

- The Internet Banking System used by institutions and organizations with accounts at the CBRT was completely renewed to ensure a smoother and faster experience.

- The Internet Banking System of the Treasury was comprehensively updated to offer enhanced automation capabilities and a superior user experience.

- A data literacy program was initiated to improve the data analysis skills of the employees, reduce the dependence on Information Technologies Department for report generation, and lead the way in establishing a uniform language for data across the Bank.
- The communication infrastructure linking CBRT offices is now smarter, more energy-efficient, and more resilient.
- The Electronic Document Management System of the CBRT now includes artificial intelligence capabilities for real-time translation into multiple languages and for summary generation.
- The account-name matching processes for fund transfers to institutional accounts at the CBRT were automated using agentic AI, eliminating any human intervention and ensuring increased speed and efficiency.
- An infrastructure was set up to develop, monitor, and rapidly deploy artificial intelligence models, and orchestration tools were put into use to integrate various artificial intelligence systems.
- The efficiency of software development processes was improved through the use of AI-powered coding assistants.
- Efforts to digitize accounting and branch operations began. As part of this initiative, end-of-day cash operations were redesigned to provide a better user experience, and a new structure was implemented.
- Efforts to strengthen business continuity at the CBRT continued.

The CBRT ensured the automated accounting of the messages generated by the CBRT in response to EFT participants' POS and EFT balance increase request messages.

2.12.6 Research and Development Activities in the Field of Payments

The second phase of the Digital Turkish Lira Project involved efforts to bring the Digital Turkish Lira System to a minimum viable product level. Research, development, and testing were carried out on all developed systems and applications to make digital Turkish lira transactions ready for real-world use. Pilot tests of programmable payment scenarios were conducted. Prototype tools designed for offline payments were tested.

Regarding digital currency and tokenization, improvements were made to the simulations related to deposit tokens, carbon credits, green bonds, offline payments, programmable payments, the integration of financial intermediaries, securities settlement transactions using digital currencies, the evaluation of cloud computing environments, and the impact analysis of digital currency. In addition, research and development activities were carried out on the detection of unusual transaction patterns in payment data using AI techniques, the use of AI and large language models in document generation, AI-powered fintech assistants, and the prediction of economic variables using payment system data.

Pre-Payment Verification Method examples from other countries were studied and analyzed. This method includes innovative solutions such as presenting the recipient's information in a specific format to the sender prior to sending the payment and confirming that the recipient's account is eligible to receive the payment in order to eliminate errors before payment messages are sent and ensure payments are made on time.

Efforts were made to develop a new easy addressing method that, unlike existing ones, does not contain any personal data and serves no purpose beyond enabling payment collection. The most suitable options for the relevant easy addressing structure were determined by identifying needs and then evaluated. The analysis process to design the new easy addressing method called "Rumuz Kolay Adres (Pseudo/Nickname Easy Addressing)" in a way that reaches out to users with data sensitivity, civil society organizations serving the public interest, and businesses pursuing branding goals, thereby offering innovative services while also increasing the use of Easy Addressing and thus contributing to the widespread adoption of FAST.

2.13 Training Activities

Training activities consist of courses organized by the CBRT and other institutions and organizations, as well as courses offered via the Digital Learning Platform.

Table 2.13.1: Breakdown of Training Activities by Training Source

Training Source	Number of Courses	Attendance	Duration of Training (Total Training Hours)
Training Courses Offered on the Digital Learning Platform	1,009	55,593	54,742
Training Courses Organized by the CBRT	177	9,805	43,268
Training Courses Organized by Other Institutions and Organizations	73	155	12,234
Total	**1,259**	**65,553**	**110,244**

A total of 65,553 participants attended 1,259 training courses in 2025 (Table 2.13.1). The CBRT staff received a total of 110,244 hours of training across all training activities. The average annual learning hour per person was 25.70.

Table 2.13.2: Breakdown of Training Activities by Training Method

Training Method	Attendance	Percentage
E-Learning (Training on the Digital Platform)	61,350	93.59%
Virtual Classroom (Online Training)	2,220	3.39%
In-Class	1,983	3.02%
Total	**65,553**	**100%**

A breakdown of training activities by training method reveals that in 2025, 93.59% of activities were e-learning, 3.39% were virtual classroom (online), and 3.02% were in-class (Table 2.13.2).

2.13.1 Training Programs Organized by the CBRT

In 2025, the CBRT held 76 different training courses in 177 groups. A total of 9,805 participants attended training programs adding up to 43,268 hours.

Of the 177 training groups held in 2025, 104 were in-class, 48 were virtual classroom sessions, and 25 were conducted via e-learning.

Table 2.13.1.1: Breakdown of Training Activities Organized by the CBRT by Categories

Training Categories	Number of Courses	Attendance	Percentage by Attendance
Legal and Compulsory Training	42	4,771	48.66%
Technical and Functional Training	113	4,205	42.89%
Orientation Programs	17	427	4.35%
Competence Development Training	5	402	4.10%
Total	**177**	**9,805**	**100%**

In 2025, 48.66% of training activities organized by the CBRT were composed of legal and compulsory training courses, 42.89% were technical and functional development training courses, while 4.35% were orientation programs, and 4.10% were competence development training courses (Table 2.13.1.1). Within this scope, throughout 2025, training programs on law, regulations and accounting, business operations and practices, banking and finance, information technology, programming and artificial intelligence, branch operations and banknote handling, auditing, in-house instructor training, and orientation programs tailored to particular titles were organized by the CBRT.

2.13.2 Training Programs Organized by Other Institutions and Organizations

In 2025, a total of 96 CBRT employees participated in 24 short-term training programs organized by other institutions and organizations in Türkiye. Furthermore, a total of 59 employees participated in 49 different training programs organized by other central banks and international organizations.

As part of graduate studies in Türkiye, 120 employees, 41 of whom enrolled in 2025, pursued their master’s and Ph.D. studies in 2025. As part of graduate studies abroad, nine employees commenced their master’s degrees and Ph.Ds. on external scholarships, and two employees began their master’s and PhD studies on unpaid leave. Five employees who had previously taken up their studies continued their education on unpaid leave, while seven employees completed their master’s degrees and took office at the Bank.

As a part of the academic staff assignment, nine CBRT employees were assigned to teach semester courses at universities, and 83 employees were assigned as short-term trainers to 14 different institutions and organizations.

2.14 Cooperation with Public Institutions

2.14.1 Coordination Activities

In 2025, the CBRT continued to monitor and coordinate progress on decisions taken at the Economy Coordination Board (ECB) meetings for which the CBRT is the responsible institution.

The CBRT monitored the activities and performance indicators related to the measures and activities included in the 2025 Presidential Annual Program and that fall within the CBRT's mandate to serve as a basis for the Monitoring and Evaluation Report of the Presidential Annual Program, which is compiled quarterly by the Presidency of Strategy and Budget of the Republic of Türkiye as per Presidential Decree No. 13. Accordingly, progress reports were submitted through the Presidential Plan and Program Monitoring and Evaluation System (CPPİDS).

The CBRT contributed to the preparation of the 2026 Presidential Annual Program, carried out within the framework of the Twelfth Development Plan.

The CBRT also contributed to the preparation process for the Medium-Term Program (MTP), which covers the 2026–2028 period.

Following the briefings presented by Governor Karahan at the meetings of the Plan and Budget Committee of the Grand National Assembly of Türkiye (GNAT) on May 6 and October 7, 2025, pursuant to Article 42 of the CBRT Law No. 1211 regarding the activities of the CBRT, the responses to the questions addressed to the Governor by the Committee members and recorded in the minutes, those falling within the scope of the CBRT's mandate and authority which had not been answered at the Committee meeting, were submitted to the Plan and Budget Committee of the GNAT.

The CBRT provided assistance in responding to written questions submitted by GNAT members to the Vice Presidents and Ministers regarding matters within the CBRT's mandate.

As part of the preliminary work for the 2025 Action Plan of the Coordination Council for the Improvement of Investment Environment (YOIKK), the CBRT's action recommendations were submitted to the Ministry of Treasury and Finance of the Republic of Türkiye.

The CBRT contributed to the 2026–2028 Action Plan of the Strategy for Fight Against Informal Economy, for which preliminary work was carried out as part of the 2025 Presidential Annual Program.

2.14.2. Activities of the Food and Agricultural Product Markets Monitoring and Evaluation Committee

The Food and Agricultural Product Markets Monitoring and Evaluation Committee (the Food Committee) focuses on identifying and resolving structural and conjunctural issues in the agriculture and food sectors, with the aim of ensuring food price stability and enhancing predictability. Ministries and organizations have high-level representation at Food Committee meetings, and concrete policy measures are enacted in line with the decisions taken. The CBRT attends meetings of the Food Subcommittee, which operates under the Food Committee to assess risks related to food and agricultural products and discuss necessary policy recommendations through regular meetings, and gives regular presentations at these meetings. In 2025, the Food Committee convened on three occasions, while the Food Subcommittee met eight times, both bodies taking decisions on issues such as food price stability, supply security of agricultural products, and agricultural planning. The CBRT participated actively in these meetings and delivered eleven technical briefings. Additionally, in 2025, the Bank informed stakeholders who were members of the committee on food and agricultural product prices, shared research findings on structural and conjunctural issues as well as pricing behaviors, and provided technical support on a regular basis. Furthermore, the Bank took part in working groups established under the Food Committee.

As part of the Food Early Warning System (Food-EWS) project conducted by the CBRT as per the decisions of the Food Committee, the CBRT analyzed data on food and agricultural product prices, which are of critical importance for price stability, in a detailed and timely manner and recommendations on measures were developed. The up-to-date database in this area is used to monitor structural issues and critical developments in food and agricultural product markets. Regular briefings on the latest developments in the sector are presented at the relevant Food Committee and Food Subcommittee meetings. Furthermore, reports prepared as part of the Food-EWS, namely the Food and Agriculture Markets Report, the Food Foreign Trade Developments Report, and the Price Developments in Critical Food Products Report, are regularly shared with relevant ministries and institutions. In 2025, a total of 12 Food and Agriculture Market Reports, 12 Food Foreign Trade Developments Reports, and 24 Price Developments in Critical Food Products Reports were sent to relevant stakeholders.

In 2025, as part of the Food Committee's activities and with contributions of the CBRT employees, a Research Note in Economics, a BIS Working Paper, two articles for the Central Bank Review, and one post for the CBRT blog were published. Four of these studies were presented to academics and policymakers at national and international seminars and conferences.

2.14.3 Other Activities

As part of the harmonization of the Financial Accounts Statistics published by the CBRT and the Corporate Sector Accounts produced by TURKSTAT, the "Integrated Accounts Workshop" was held on November 3-4, 2025, with the participation of officials from the CBRT, TURKSTAT, the Ministry of Treasury and Finance, and the Insurance and Private Pension Regulation and Supervision Authority.

"The Banking Statistical Reporting Certification Program" aimed at employees working in the reporting units of banks was organized by the Data Governance and Statistics Department at the CBRT's İstanbul Finance Center premises between November 19 and 21, 2025.

"The Treasury Operations Workshop" was held at the CBRT Head Office on November 20–21, 2025, with the participation of General Directorate of Public Finance of the Ministry of Treasury and Finance of the Republic of Türkiye, with the aim of conducting an end-to-end review of business operations, with a focus on areas for collaboration and development in treasury operations, identifying opportunities for improvement to enhance efficiency, clarifying common goals and priorities, and developing ongoing collaboration mechanisms.

2.15 Corporate Social Responsibility Activities

In addition to fulfilling its primary duties and responsibilities, the CBRT continued to take part in social responsibility projects.

After the 1999 earthquake, the CBRT built the Central Bank Derince Anatolian High School to support the region. In 2025, the CBRT continued to grant scholarships to successful graduates of the high school, who have enrolled in a university and who satisfy certain criteria, for the duration of their university education. In the 2024-2025 academic year, 28 students actively benefited from the scholarship. A total of 152 students, excluding the scholarship recipients for the 2025-2026 academic year, have been awarded scholarships since 2002, when the school graduated its first students. Moreover, to encourage the level of success at the school, a graduation ceremony was organized and successful students were rewarded with plaques.

Furthermore, the CBRT organized celebrations for the National Sovereignty and Children's Day on April 23 for the students of Şehit Serkan Angay Elementary School and Middle School in Şile, İstanbul.

The CBRT granted 3,179 pieces of furniture and fixtures (office, kitchen, health and safety equipment, and IT equipment etc.) to 43 public institutions.

PART 3 FINANCIAL STATEMENTS

Photograph: **Emrah Işık**'s work titled **"The Greenhouse"** exhibited at the International Photography Competition organized by the CBRT under the theme "Economy and People".

3.1. Balance Sheet as of December 31, 2025

ASSETS	Explanation No.	Turkish Lira	Foreign Currency	Total
1. Gold	**3.4.2.1**	**-**	**4,817,061,208,973**	**4,817,061,208,973**
1.1 International Standard (Net Gram) 811,419,239.40		-	4,817,061,208,973	4,817,061,208,973
2. Foreign Banknotes	**3.4.2.2**	**-**	**30,094,095,393**	**30,094,095,393**
3. Foreign Correspondents	**3.4.2.3**	**-**	**3,035,827,212,230**	**3,035,827,212,230**
3.1 FX Securities		-	1,072,206,936,181	1,072,206,936,181
3.2 Deposits		-	297,198,987,580	297,198,987,580
3.3 Other		-	1,666,421,288,469	1,666,421,288,469
4. Reserve Tranche Position	**3.4.2.4**	**-**	**6,639,446,013**	**6,639,446,013**
5. Securities Portfolio	**3.4.2.5**	**245,737,421,652**	**-**	**245,737,421,652**
5.1 Government Securities		235,358,764,152	-	235,358,764,152
5.2 Other		10,378,657,500	-	10,378,657,500
6. Lending Related to Monetary Policy Operations	**3.4.2.6**	**303,379,867,782**	**-**	**303,379,867,782**
6.1 Open Market Operations		303,379,867,782	-	303,379,867,782
6.2 Interbank Operations		-	-	-
6.3 Other		-	-	-
7. Domestic Banks	**3.4.2.7**	**610,309,208**	**4,138,971,688**	**4,749,280,896**
8. Credits	**3.4.2.8**	**791,243,646,725**	**148,384,969,869**	**939,628,616,594**
8.1 Domestic Credits		791,243,646,725	147,996,576,710	939,240,223,435
8.1.1 Rediscount Credits		686,974,479,032	147,996,576,710	834,971,055,742
8.1.2 Other Credits		104,269,167,693	-	104,269,167,693
8.2 Foreign Credits		-	388,393,159	388,393,159
9. Share Participations	**3.4.2.9**	**90,543,079**	**18,987,457,723**	**19,078,000,802**
10. Treasury Liabilities Due to SDR Allocation	**3.4.2.4**	**-**	**325,614,927,509**	**325,614,927,509**
11. Fixed Assets (Net)	**3.4.2.10**	**15,911,498,684**	**-**	**15,911,498,684**
12. Non-Performing Loans (Net)	**3.4.2.8**	**-69,169,881,820**	**69,169,881,820**	**-**
12.1 Non-Performing Loans		-	69,169,881,820	69,169,881,820
12.2 Provisions to Non-Performing Loans (-)		-69,169,881,820	-	-69,169,881,820
13. Deferred Tax Assets	**3.4.2.14**	**2,713,522,554**	**-**	**2,713,522,554**
14. Loss of the Period	**3.4.2.20**	**1,064,875,321,767**	**-**	**1,064,875,321,767**
15. Other Assets	**3.4.2.11**	**83,095,889,158**	**49,878,537**	**83,145,767,695**
15.1 Non-Standard Gold (Net Gram) 2,832,327.42	3.4.2.1	16,814,359,191	-	16,814,359,191
15.2 Coins		186,030,954	-	186,030,954
15.3 Accrued Income		2,212,502,039	-	2,212,502,039
15.4 Other		63,882,996,974	49,878,537	63,932,875,511
16. Previous Years' Losses	**3.4.2.22**	**1,509,206,898,275**	**-**	**1,509,206,898,275**
TOTAL		**3,947,695,037,064**	**8,455,968,049,755**	**12,403,663,086,819**

LIABILITIES	Explanation No.	Turkish Lira	Foreign Currency	Total
1. Currency Issued	**3.4.2.12**	**864,590,113,048**	**-**	**864,590,113,048**
2. Liabilities Related to Monetary Policy Operations	**3.4.2.6**	**765,182,233,887**	**-**	**765,182,233,887**
2.1 Open Market Operations		-	-	-
2.2 Interbank Operations		765,182,233,887	-	765,182,233,887
2.3 Liquidity Bills		-	-	-
2.4 Other		-	-	-
3. Deposits	**3.4.2.13**	**4,230,040,786,090**	**4,794,576,287,841**	**9,024,617,073,931**
3.1 Public Sector		580,771,673,689	791,847,275,374	1,372,618,949,063
3.1.1 Treasury, General and Special-Budget Administrations		580,530,072,425	791,847,275,374	1,372,377,347,799
3.1.1.1 Cash		580,530,072,425	523,035,868,398	1,103,565,940,823
3.1.1.2 Gold (Net Gram) 45,280,460.00	3.4.2.1	-	268,811,406,976	268,811,406,976
3.1.2 Other		241,601,264	-	241,601,264
3.2. Banking Sector		3,641,261,133,435	3,995,565,950,125	7,636,827,083,560
3.2.1 Domestic Banks		1,818,636,670,405	1,394,610,270,525	3,213,246,940,930
3.2.1.1 Cash		1,818,636,670,405	1,034,274,623,416	2,852,911,293,821
3.2.1.2 Collateral		-	69,498,340,800	69,498,340,800
3.2.1.2.1 Cash		-	69,498,340,800	69,498,340,800
3.2.1.2.2 Gold (Net Gram) 0.00	3.4.2.1	-	-	-
3.2.1.3 Gold (Net Gram) 48,990,655.43	3.4.2.1	-	290,837,306,309	290,837,306,309
3.2.2 Foreign Banks		728,633,945,610	-	728,633,945,610
3.2.3 Required Reserves in Blocked Accounts		1,093,990,517,420	2,600,955,679,600	3,694,946,197,020
3.2.3.1 Cash		1,093,990,517,420	1,704,504,707,310	2,798,495,224,730
3.2.3.2 Gold (Net Gram) 151,004,426.67	3.4.2.1	-	896,450,972,290	896,450,972,290
3.2.4 Other		-	-	-
3.3 Other Deposits		8,007,978,966	7,163,062,342	15,171,041,308
3.3.1 FX Deposits of Non-Resident Citizens		-	4,922,310,894	4,922,310,894
3.3.2 International Institutions		722,026,086	-	722,026,086
3.3.3 Extrabudgetary Funds		473,507,594	293,607	473,801,201
3.3.4 Other		6,812,445,286	2,240,457,841	9,052,903,127
4. Foreign Banks	**3.4.2.3**	**-**	**332,958,493,143**	**332,958,493,143**
4.1 Cash		-	154,860,877,483	154,860,877,483
4.2 Gold (Net Gram) 29,999,999.08	3.4.2.1	-	178,097,615,660	178,097,615,660
5. Reserve Tranche Means	**3.4.2.4**	**-**	**6,639,446,013**	**6,639,446,013**
6. SDR Allocation	**3.4.2.4**	**-**	**325,614,927,509**	**325,614,927,509**
7. Tax Liability	**3.4.2.14**	**6,207,470,327**	**-**	**6,207,470,327**
7.1 Taxes Payable		6,207,470,327	-	6,207,470,327
8. Provisions	**3.4.2.15**	**2,434,931,943**	**-**	**2,434,931,943**
9. Capital and Reserves	**3.4.2.16**	**380,402,103**	**-**	**380,402,103**
9.1 Paid-in Capital		25,000	-	25,000
9.2 Inflation Adjustments for Capital		46,208,524	-	46,208,524
9.3 Reserves		334,168,579	-	334,168,579
10. Revaluation Account	**3.4.2.17**	**1,031,855,948,724**	**-**	**1,031,855,948,724**
11. Other Liabilities	**3.4.2.18**	**30,773,491,227**	**12,408,554,964**	**43,182,046,191**
11.1 Non-Standard Treasury Gold (Net Gram) 0.00	3.4.2.1	-	-	-
11.2 Letters of Credit		-	5,342,165,051	5,342,165,051
11.3 Accrued Expense		1,652,788,857	-	1,652,788,857
11.4 Other		29,120,702,370	7,066,389,913	36,187,092,283
TOTAL		**6,931,465,377,349**	**5,472,197,709,470**	**12,403,663,086,819**
REGULATING ACCOUNTS	**3.4.2.19**			**16,335,437,252,449**

3.2. Balance Sheets as of December 31, 2025 and December 31, 2024

ASSETS	Explanation No.	2025	2024
1. Gold	**3.4.2.1**	**4,817,061,208.973**	**2,266,929,626,009**
1.1 International Standard		4,817,061,208,973	2,266,929,626,009
2. Foreign Banknotes	**3.4.2.2**	**30,094,095,393**	**44,690,635,793**
3. Foreign Correspondents	**3.4.2.3**	**3,035,827,212,230**	**3,150,960,108,039**
3.1 FX Securities		1,072,206,936,181	873,294,273,869
3.2 Deposits		297,198,987,580	632,403,342,531
3.3 Other		1,666,421,288,469	1,645,262,491,639
4. Reserve Tranche Position	**3.4.2.4**	**6.639,446,013**	**5,196,343,904**
5. Securities Portfolio	**3.4.2.5**	**245,737,421,652**	**138,545,246,011**
5.1 Government Securities		235,358,764,152	129,076,988,841
5.2 Other		10,378,657,500	9,468,257,170
6. Lending Related to Monetary Policy Operations	**3.4.2.6**	**303,379,867,782**	**4,020,035,720**
6.1 Open Market Operations		303,379,867,782	2,979,142,450
6.2 Interbank Operations		-	1,040,893,270
6.3 Other		-	-
7. Domestic Banks	**3.4.2.7**	**4,749,280,896**	**4,456,806,422**
8. Credits	**3.4.2.8**	**939,628,616,594**	**621,314,522,366**
8.1 Domestic Credits		939,240,223,435	620,995,349,368
8.1.1 Rediscount Credits		834,971,055,742	526,653,326,461
8.1.2 Other Credits		104,269,167,693	94,342,022,907
8.2 Foreign Credits		388,393,159	319,172,998
9. Share Participations	**3.4.2.9**	**19,078,000,802**	**12,698,934,009**
10. Treasury Liabilities Due to SDR Allocation	**3.4.2.4**	**325,614,927,509**	**254,841,614,826**
11. Fixed Assets (Net)	**3.4.2.10**	**15,911,498,684**	**2,770,602,691**
12. Non-Performing Loans (Net)	**3.4.2.8**	**-**	**-**
12.1 Non-Performing Loans		69,169,881,820	56,549,804,331
12.2 Provisions to Non-Performing Loans (-)		-69,169,881,820	-56,549,804,331
13. Deferred Tax Assets	**3.4.2.14**	**2,713,522,554**	**1,968,976,894**
14. Revaluation Account	**3.4.2.18**	**-**	**491,148,756,096**
15. Loss of the Period	**3.4.2.20**	**1,064,875,321,767**	**700,354,114,932**
16. Other Assets	**3.4.2.11**	**83,145,767,695**	**77,245,257,612**
16.1 Non-Standard Gold	3.4.2.1	16,814,359,191	8,374,254,550
16.2 Coins		186,030,954	165,656,229
16.3 Accrued Income		2,212,502,039	1,948,732,854
16.4 Other		63,932,875,511	66,756,613,979
17. Previous Years' Losses	**3.4.2.22**	**1,509,206,898,275**	**808,852,783,343**
TOTAL		**12,403,663,086,819**	**8,585,994,364,667**

LIABILITIES	**Explanation No.**	**2025**	**2024**
1. Currency Issued	**3.4.2.12**	**864,590,113,048**	**645,236,535,423**
2. Liabilities Related to Monetary Policy Operations	**3.4.2.6**	**765,182,233,887**	**254,802,092,044**
2.1 Open Market Operations		-	-
2.2 Interbank Operations		765,182,233,887	254,802,092,044
2.3 Liquidity Bills		-	-
2.4 Other		-	-
3. Deposits	**3.4.2.13**	**9,024,617,073,931**	**6,948,947,763,930**
3.1 Public Sector		1,372,618,949,063	1,001,301,087,684
3.1.1 Treasury, General and Special-Budget Administrations		1,372,377,347,799	1,001,094,616,970
3.1.1.1 Cash		1,103,565,940,823	820,508,651,085
3.1.1.2 Gold	3.4.2.1	268,811,406,976	180,585,965,885
3.1.2 Other		241,601,264	206,470,714
3.2. Banking Sector		7,636,827,083,560	5,933,326,917,001
3.2.1 Domestic Banks		3,213,246,940,930	2,859,031,135,105
3.2.1.1 Cash		2,852,911,293,821	2,689,410,576,525
3.2.1.2 Collateral		69,498,340,800	40,378,645,300
3.2.1.2.1 Cash		69,498,340,800	40,378,645,300
3.2.1.2.2 Gold	3.4.2.1	-	-
3.2.1.3 Gold	3.4.2.1	290,837,306,309	129,241,913,280
3.2.2 Foreign Banks		728,633,945,610	774,655,377,027
3.2.3 Required Reserves in Blocked Accounts		3,694,946,197,020	2,299,640,404,869
3.2.3.1 Cash		2,798,495,224,730	1,935,844,911,487
3.2.3.2 Gold	3.4.2.1	896,450,972,290	363,795,493,382
3.2.4 Other		-	-
3.3 Other Deposits		15,171,041,308	14,319,759,245
3.3.1 FX Deposits of Non-Resident Citizens		4,922,310,894	4,274,265,165
3.3.2 International Institutions		722,026,086	610,467,885
3.3.3 Extrabudgetary Funds		473,801,201	784,528,975
3.3.4 Other		9,052,903,127	8,650,497,220
4. Foreign Banks	**3.4.2.3**	**332,958,493,143**	**439,371,858,399**
4.1 Cash		154,860,877,483	350,671,792,505
4.2 Gold	3.4.2.1	178,097,615,660	88,700,065,894
5. Reserve Tranche Means	**3.4.2.4**	**6,639,446,013**	**5,196,343,904**
6. SDR Allocation	**3.4.2.4**	**325,614,927,509**	**254,841,614,826**
7. Tax Liability	**3.4.2.14**	**6,207,470,327**	**3,016,599,941**
7.1 Taxes Payable		6,207,470,327	3,016,599,941
8. Provisions	**3.4.2.15**	**2,434,931,943**	**1,873,695,734**
9. Capital and Reserves	**3.4.2.16**	**380,402,103**	**380,402,103**
9.1 Paid-in Capital		25,000	25,000
9.2 Inflation Adjustments for Capital		46,208,524	46,208,524
9.3 Reserves		334,168,579	334,168,579
10. Revaluation Account	**3.4.2.17**	**1,031,855,948,724**	**-**
11. Other Liabilities	**3.4.2.18**	**43,182,046,191**	**32,327,458,363**
11.1 Non-Standard Treasury Gold	3.4.2.1	-	-
11.2 Letters of Credit		5,342,165,051	4,401,054,625
11.3 Accrued Expense		1,652,788,857	1,505,357,830
11.4 Other		36,187,092,283	26,421,045,908
TOTAL		**12,403,663,086,819**	**8,585,994,364,667**
REGULATING ACCOUNTS	**3.4.2.19**	**16,335,437,252,449**	**11,832,795,765,410**

3.3. Profit and Loss Statements for 2025 and 2024

	Explanation No.	2025	2024
Interest Income	3.4.2.20	455,087,761,770	493,452,113,266
Interest Expense	3.4.2.20	-1,353,576,337,401	-754,474,988,076
Net Interest Income/Expense		**-898,488,575,631**	**-261,022,874,810**
Fee and Commission Income	3.4.2.20	12,632,618,107	26,654,375,896
Fee and Commission Expense	3.4.2.20	-696,891,174	-420,856,154
Net Fee and Commission Income/Expense		**11,935,726.933**	**26,233,519,742**
Non-Interest Income	3.4.2.20	137,240,085,768	68,990,987,921
Non-Interest Expense	3.4.2.20	-317,218,007,369	-535,591,888,697
Net Non-Interest Income/Expense		**-179,977,921,601**	**-466,600,900,776**
Profit/Loss Before Tax		**-1,066,530,770,299**	**-701,390,255,844**
Tax Expense		**1,655,448,532**	**1,036,140,912**
Tax Provision		-	-
Deferred Tax Income/Expense	3.4.2.14	1,655,448,532	1.036.140.912
Net Profit/Loss of the Period		**-1,064,875,321,767**	**-700,354,114,932**

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.

3.5 Explanations on Operating Expenses

The distribution of expenses made by the CBRT in the last two years across subcategories of current expenditures with 2003 prices in real terms is as follows:

Table 3.5.1: Distribution of Expenses (With 2003 prices)

	2025 (TRY)	2024 (TRY)	Change (%)
I- Personnel expenses	500,631,656	463,208,770	8
II- Other expenses	68,538,932	60,429,674	13
III- Banknote printing expenses	146,859,531	111,839,393	31
TOTAL	**716,030,119**	**635,477,837**	**13**

In 2025, personnel expenses, banknote printing expenses, and other expenses increased compared to 2024.

- Personnel expenses cover salaries, fringe benefits, social security payments, social benefits, health and education expenses, travel allowances, and outsourcing expenses. Compared to 2024, there was an 8% increase in personnel expenses in real terms.
- Other expenses mainly consist of social expenses, utility expenses, consultancy and research expenses, rental expenses, and taxes, duties, and charges.
- Banknote printing expenses rose by 31% compared to the previous year.

When performing the duties assigned to it by the CBRT Law No. 1211, the Bank prepares its budget in view of the priorities set in its strategic plan, adhering to the principle of frugality in spending, and spends accordingly.

3.6 Audit at the CBRT and Audit Reports

3.6.1 Audit at the CBRT

Audits of the activities of the CBRT are carried out in compliance with the relevant provisions of the CBRT Law No. 1211, and are divided into two: internal audits and audits made by institutions other than the CBRT.

Audits Conducted by the Bank

In accordance with Article 15 of the CBRT Law No. 1211, the General Assembly examines and resolves whether to approve the Annual Report submitted by the Board of the Bank, as well as the report of the Auditing Committee, the CBRT's balance sheet, and the income statements. Through this procedure, the General Assembly completes the monitoring of the activities of the Bank every year by discharging the Board of the Bank and the Auditing Committee.

The Auditing Committee, on the other hand, audits, in accordance with Article 24 of the CBRT Law No. 1211, all the operations and accounts of the CBRT and submits to the General Assembly a report to be drawn up on operations and accounts of the Bank at the end of the year. With the authorization entrusted by the CBRT Law No. 1211, the Auditing Committee submits its written opinions to the Board and also presents a copy thereof to the Presidency of the Republic.

Article 64 of the Main Regulation on the Organization and Duties of the CBRT gives the authority and responsibility for auditing the Bank's usual operations to the Audit Department.

Within the scope of the authorities and duties granted by the CBRT Law No. 1211 and the related legislation, the Audit Department has the duty and authority to conduct audits, examinations and research, to carry out investigations and to provide advisory services when required in the departments, branches, and representative offices of the Bank as well as at institutions and organizations other than the CBRT.

According to Article No. 6 of the Audit Regulation of the CBRT, audits carried out can be classified into four activities: (a) internal audit, (b) investigation, (c) examination and advisory, and (d) regulatory audit activities.

Pursuant to Article 21 of the Audit Regulation of the CBRT, one or several of the operational, financial, compliance, and information systems audits can be conducted simultaneously in all departments, branches, and representative offices of the CBRT. In 2025, nine information systems audits and 21 operational audits were conducted at the CBRT Head Office. Additionally, 27 compliance audits were conducted across ten branches of the Bank. Furthermore, to provide reasonable assurance regarding the safeguarding of valuable assets, physical counts of such assets were conducted at the eight branches where no compliance audits were carried out in 2025. Thus, internal audits conducted at the CBRT totaled 65.

As part of the regulatory audit conducted pursuant to Article 36 of the Audit Regulation of the CBRT, the Bank carried out onsite audits at banks and financing companies on various issues subject to the CBRT's regulation. These audits took place based on the opinions and requests of the members of the Executive Committee, as well as CBRT departments in charge of regulation and oversight, and upon the Approval of the Governor's Office. The aim of regulatory audits is to monitor the effective implementation of decisions and measures taken in cooperation with the CBRT's other units to achieve the CBRT's strategic goals, as well as to ensure compliance with the legislation. Accordingly, a total of 48 reports were prepared for 41 banks and financing companies and submitted to the relevant departments.

With the amendment made to Law No. 6493 in 2019, the CBRT was entrusted with the authority to audit payment institutions and electronic money institutions, and the Bank started to audit these institutions in 2020. Regulated by Law No. 6493, the payments ecosystem has been evolving day by day offering innovative solutions to its clients, and is expected to develop and become even more important in the years ahead. Audits play a major role in enabling this field to gain a corporate identity and develop a suitable structure, as well as in protecting the rights of customers.

The audits carried out in cooperation with the CBRT departments in charge of regulation and oversight contribute significantly to the development of the sector. When deemed necessary, the CBRT is entitled to take administrative measures, such as issuing orders, suspending operations, or revoking operating licenses, and to impose administrative fines on payment institutions and electronic money institutions. As part of the planned audit activities conducted at relevant institutions in 2025, the CBRT prepared 30 reports following the audits of 26 payment and electronic money institutions. In addition, 58 inspection reports and numerous letters of opinion were prepared and submitted to the related units in response to inspection requests received from the CBRT's relevant departments throughout the year, which were not covered by the audit plan.

The Audit Department has a total of 73 audit staff composed of 28 head inspectors, four chief auditors, 16 inspectors, three IT inspectors, 18 assistant inspectors, and four assistant IT inspectors.

Periodic self-assessment of internal audit activities is carried out every year by an assigned inspector, who, at the end of the evaluation made in terms of quality and conformity, submits an evaluation report to the Audit Department.

Hearings at the Grand National Assembly of Türkiye, External Audit and Supreme Audit

In accordance with Article 42 of the CBRT Law No. 1211, the Governor submits a report to the President of the Republic on the operations of the Bank and the current and future monetary policies in April and October each year. The CBRT furnishes information regarding its operations to the Plan and Budget Committee of the Grand National Assembly of Türkiye twice a year.

Pursuant to Article 42 of the CBRT Law No. 1211, the CBRT may have its balance sheet and profit and loss accounts audited by independent audit firms. Believing that independent external audit activities are one of the most effective instruments with respect to the transparency and accountability principles adopted by central banks, the CBRT first started to receive external audit services in 2000. The reports prepared at the end of the audit engagements each year are made public via the CBRT website.

In addition to the audits mentioned above, the Ministry of Treasury and Finance, the State Supervisory Council, the Turkish Court of Accounts, certain ministries and other authorized government agencies may conduct audits at the CBRT via their auditors on the issues related to their duties, if deemed necessary by the relevant authorities.

3.6.2 The Report of the CBRT's Auditing Committee

CENTRAL BANK OF THE REPUBLIC OF TÜRKİYE JOINT STOCK COMPANY
2025
AUDITING COMMITTEE REPORT FOR THE NINETY-FOURTH ACCOUNTING YEAR

The Auditing Committee has audited the activities and resulting statements of the 2025 Accounting Year of the Central Bank of the Republic of Türkiye within the framework of the provisions of the related legislation and concluded that

1. Gold holdings, and cash, foreign exchange banknotes, coins and securities in the service and reserve vaults of the Head Office and Branches, which were subject to stock-taking at the end of the year, are in conformity with the accounting records as well as the inventory records, and these values are kept and administered in accordance with applicable regulations and instructions,

2. The conformity of books related to the Bank's accounts with accounting records was examined, and it was ascertained that the records were kept in a timely and orderly manner, properly and per legislation, and that the Bank's operations were in conformity with the CBRT Law No. 1211,

3. The balance sheet dated 31.12.2025 and the Income Statement for the period between 01.01.2025 and 31.12.2025 are in compliance with the Turkish Commercial Code and the CBRT Law No. 1211,

4. The financial statements compiled to present the financial position of the Central Bank of the Republic of Türkiye on 31.12.2025 and the results of activities relating to the same accounting year that ended on the same date are presented in an accurate and correct manner pursuant to the legislation in force in Türkiye and the CBRT Law No. 1211,

5. No dissents or abstaining votes are noted in review of the Board's decisions during the accounting year,

6. The trial for the legal liability lawsuit filed by the Bank continues, and the Bank monitors the proceedings.

In conclusion, we hereby submit the Balance Sheet and the Income Statement dated 31.12.2025 for approval of the General Assembly.

Ankara, 01/04/2026

Ramazan GÜNGÖR Auditing Committee Member	Bekir BAYRAKDAR Auditing Committee Member
Metin TOPRAK Auditing Committee Member	Melikşah UTKU Auditing Committee Member

3.6.3 Independent Audit Report Drawn up in Compliance with the CBRT Law No. 1211 and Related Legislation*

To the Board of the Central Bank of the Republic of Türkiye

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Bank of Republic of Türkiye (the "Bank"), which comprise the balance sheet as at December 31, 2025, and the statement of profit or loss, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with the Law of the Central Bank of the Republic of Türkiye and related legislation (Note I. A. (2)).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. Regarding the independent audit of financial statements, we declare that we are independent from the Bank in accordance with the Code of Ethics for Professional Accountants published by the International Ethical Standards ("Code of Ethics") Board for Professional Accountants, as well as the ethical rules applicable in Türkiye for the independent audit of financial statements. In accordance with the provisions, we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank management is responsible for the preparation of financial statements in accordance with the Central Bank of the Republic of Türkiye Law and relevant legislation (Note I.A. (2)), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless General Assembly either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

In an independent audit, the responsibilities of independent auditors are as follows:

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 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 auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Erdem Taş
Partner

March 27, 2026

(*) The full text of the Report is accessible at the Bank's website (www.tcmb.gov.tr), under About the Bank / Organization / Independent Audit Reports.

3.6.4 Independent Audit Report Drawn up in Compliance with IFRS*

To the Board of The Central Bank of the Republic of Türkiye

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of The Central Bank of Republic of Türkiye (the "Bank" and "CBRT"), which comprise the balance sheet as of December 31, 2025, and the statements of profit or loss, the statement of other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended and, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

As explained in Note 3.a. to the financial statements, the US Dollar ("USD") amounts presented in the accompanying financial statements have been calculated over Turkish Lira amounts using the official USD bid rates announced by the Bank as of December 31, 2025 and 2024 for the statement of financial position and the average exchange rates calculated from the daily official bid rates announced by the Bank for the years 2025 and 2024 for the statement of profit or loss and are not a part of these financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless General Assembly either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 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 auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Erdem Taş
Partner

March 27, 2026

(*) The full text of the Report is accessible at the Bank's website (www.tcmb.gov.tr), under About the Bank / Organization / Independent Audit Reports.

Central Bank of the Republic of Türkiye - Contact Details

Head Office

Hacı Bayram Mahallesi
İstiklal Caddesi No: 10
06050 Ulus Altındağ / Ankara
+90 (312) 507 5000
iletisimbilgi@tcmb.gov.tr

İstanbul Financial Center

Finanskent Mahallesi
Finans Caddesi No: 24
34760 Ümraniye / İstanbul
+90 (216) 773 50 00

Banknote Printing Plant

Emniyet Mahallesi
Dögol Caddesi No: 14
06560 Beşevler Yenimahalle/Ankara
+90 (312) 296 8000
banknot.matgm@tcmb.gov.tr

Offices of Economic Counselor of the Republic of Türkiye, Ministry of Foreign Affairs

Frankfurt, Germany	+49 69 298 01 100 +49 69 298 01 103	Mainzer Landstrasse 47 60329 Frankfurt am Main-GERMANY
London, United Kingdom	+44 20 722 09 590	The Central Bank of the Republic of Türkiye London Representative Office Alpha House 1st Floor, 24A Lime Street, London EC3M 7HJ UNITED KINGDOM
Paris, France	+33 1 53 92 71 11	Ambassade de Türkiye a Paris (Bureau du Conseiller d'Économie) 16, Avenue de Lamballe 75016 Paris FRANCE
Washington, USA	+1 202 904 00 80	2525 Massachusetts Avenue, N.W. Washington D.C. 20008 USA

Central Bank of the Republic of Türkiye - Contact Details

Branches

Adana Branch	+90 (322) 352 03 50	Tepebağ Mahallesi Abidinpaşa Caddesi No: 31/A 01010 Seyhan / Adana
Ankara Branch	+90 (312) 507 50 00	Hacı Bayram Mahallesi Atatürk Bulvarı No: 4 06050 Ulus Altındağ / Ankara
Antalya Branch	+90 (242) 248 75 46	Kültür Mahallesi Hürriyet Caddesi No: 46 Kepez / Antalya
Bursa Branch	+90 (224) 224 34 50	Santral Garaj Mahallesi Kıbrıs Şehitleri Caddesi No: 94 16200 Osmangazi / Bursa
Denizli Branch	+90 (258) 265 27 67	Sırakapılar Mahallesi Gazi Mustafa Kemal Bulvarı No:90/A 20010 Merkezefendi / Denizli
Diyarbakır Branch	+90 (412) 224 61 94	İskenderpaşa Mahallesi İnönü Caddesi No: 33 21300 Sur / Diyarbakır
Edirne Branch	+90 (284) 213 97 00	Çavuşbey Mahallesi Hükümet Caddesi No: 17 22020 Merkez / Edirne
Erzurum Branch	+90 (442) 213 54 63	Kazım Karabekir Paşa Mahallesi Orhan Şerifsoy Caddesi No: 28/A 25100 Yakutiye / Erzurum
Eskişehir Branch	+90 (222) 230 39 90	Arifiye Mahallesi Müftülük Sokak No: 2 26010 Odunpazarı / Eskişehir
Gaziantep Branch	+90 (342) 230 36 80	Değirmiçem Mahallesi Kamil Ocak Caddesi No: 5 27090 Şehitkamil / Gaziantep
İskenderun Branch	+90 (326) 613 15 87	Çay Mahallesi Ulu Camii Caddesi No: 110 31300 İskenderun / Hatay
İstanbul Branch	+90 (212) 251 80 00	Arapcami Mahallesi Bankalar Caddesi No: 13 34421 Karaköy Beyoğlu / İstanbul
İzmir Branch	+90 (232) 482 00 35	Konak Mahallesi Cumhuriyet Bulvarı No: 3 35250 Konak / İzmir
İzmit Branch	+90 (262) 322 05 00	Kemalpaşa Mahallesi Cumhuriyet Caddesi No: 36 41200 İzmit / Kocaeli
Kayseri Branch	+90 (352) 221 14 95	Tacettinveli Mahallesi İnönü Bulvarı No: 70 38150 Melikgazi / Kayseri
Konya Branch	+90 (332) 353 17 10	Şems-i Tebrizi Mahallesi Mevlana Caddesi No: 25 42030 Karatay / Konya
Malatya Branch	+90 (422) 212 90 00	İnönü Mahallesi İnönü Caddesi No: 186 44070 Yeşilyurt / Malatya
Mersin Branch	+90 (324) 238 83 15	Camişerif Mahallesi İstiklal Caddesi No: 25/A 33060 Akdeniz / Mersin
Samsun Branch	+90 (362) 431 46 40	Kale Mahallesi Kazımpaşa Caddesi No: 26 55030 İlkadım / Samsun
Trabzon Branch	+90 (462) 230 25 80	Toklu Mahallesi Orhan Karakullukçu Bulvarı No: 325 61040 Ortahisar / Trabzon
Van Branch	+90 (432) 214 14 55	Şerefiye Mahallesi Cumhuriyet Bulvarı No: 41 65100 İpekyolu / Van

CENTRAL BANK OF THE REPUBLIC OF TÜRKİYE
Head Office
Hacı Bayram Mahallesi İstiklal Caddesi No: 10
06050 Ulus Altındağ / Ankara
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